

LEGISLATIVE APPROPRIATIONS REQUEST

for Fiscal Years 2006 and 2007

Submitted to the Governor's Office of Budget, Planning and Policy
and the Legislative Budget Board

by

TEXAS REAL ESTATE COMMISSION

Commission Members	Dates of Terms	Hometown
John Walton, Chairman	2001 - 2007	Lubbock
Louise Hull, Vice Chairperson	2001 - 2007	Victoria
James N. Austin, Jr., Secretary	1999 - 2005	Fort Worth
Mary Frances Burleson	2004 - 2009	Aubrey
Ramon "Mick" Cantu	1999 - 2005	Houston
William H. Flores	2004 - 2009	Sugar Land
Lawrence D. Jokl	1999 - 2005	Brownsville
Paul Jordan	2001 - 2007	Georgetown
Elizabeth Leal	2004 - 2009	El Paso

August 13, 2004

Table of Contents

Page

Administrator's Statement	1
Summary of Request	4
Strategy Requests	
Strategy 01-01-01	18
Strategy 02-01-01	21
Strategy 03-01-01	24
Strategy 05-01-01	26
Rider Revisions and Additions Request	29
Exceptional Item Request	
Restoration of appropriation baseline	32
Salary adjustment to retain experienced staff	34
Upgrade UNISYS software and hardware	36
Education record keeping upgrade	37
Contingency relocation expense for Austin Headquarters	38
Exceptional Items Strategy Allocation Schedule	39
Exceptional Items Strategy Requests	51
Capital Budget	55
Supporting Schedules	
Historically Underutilized Business	59
Current Biennium One-time Expenditure Schedule	60
Estimated Revenue Collections	61
Advisory Committees	66
Administrative and Support Costs	
Indirect Administrative and Support Costs	70

ADMINISTRATOR'S STATEMENT

79th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**
TIME: **2:34:17PM**
PAGE: **1**

Agency code: **329**

Agency name: **Real Estate Commission**

TEXAS REAL ESTATE COMMISSION ADMINISTRATOR'S STATEMENT

The Texas Real Estate Commission (TREC) is an independent state agency whose jurisdiction extends to real estate brokers and salespersons, real estate inspectors, easement or right-of-way agents, residential service companies, proprietary schools and instructors offering real estate and inspector courses as well as mandatory continuing education (MCE) for real estate and inspector licensees, and developers registering timeshares for sale in Texas. TREC is governed by a Commission whose nine members are listed below.

The Commission has a statutory relationship to, and works closely with, the Real Estate Center at Texas A & M University for whom it collects a fee from all real estate licensees. Two committees established by the Real Estate License Act (TRELA) are essential to the work of the agency: the Texas Real Estate Broker-Lawyer Committee and the Texas Real Estate Inspector Committee. The Commission also appoints two members of the Mortgage Broker Advisory Committee which assists the Commissioner of Savings and Loan in the administration of the Mortgage Broker License Act.

Providing the highest level of quality customer service to our licensees and the public is the overriding objective of the Texas Real Estate Commission. The agency is pleased that it has met or exceeded all key performance measure targets, has received highly positive feedback from its customer service survey, and has obtained high scores on its internal survey of organizational excellence.

The 7% legislatively mandated reductions of \$290,790 during fiscal year 2003 to TREC appropriations caused a significant impact on TREC operations. The mandated reductions resulted in the elimination of 12 full-time equivalent positions, travel curtailments, deferment of selected maintenance and repairs, elimination of selected staff training, reduction of Residential Service Company audits, elimination of mailing and printing costs for the TREC Advisor newsletter, and other reductions associated with moving expenses, capital budget, and technology refresh. The 7% reductions were continued and applied to the TREC appropriations for fiscal years 2004 and 2005. At the same time, the number of licensees who pay fees to TREC- and require service from the agency - has continued to increase every year. These fees produce more revenue than has been appropriated for TREC to spend. If the agency is to provide a reasonable level of service to the public and to this expanded number of individuals paying fees, then additional appropriations authority from revenue paid by those licensees will be needed.

As a self-sustaining licensing and regulatory agency, each year the Commission must produce revenue from its licensees and the public which exceeds the amount it is appropriated to spend. To ensure a continuing high level of customer service the agency has identified the following areas which require appropriations authority beyond the base level allowed in previous years. These are the Commission's priorities for the next biennium as developed in conjunction with the public and reflected in the agency's Strategic Plan for 2005-2009.

1. The appropriation baseline for the Texas Real Estate Commission was reduced by 5% per directive of the Governor's Office of Budget and Planning and the Legislative Budget Board. A 95% level of funding would mandate the commission to reduce personnel and services. On top of the previous 7% reduction in appropriations imposed in fiscal year 2003, this additional reduction of \$197,762 would cause a severe impact on service levels the commission provides to the public and licensees. Additionally, performance measures would be negatively affected. A 95% level of funding would require the commission to reduce personnel in the Communications department, the Enforcement division and the Licensing department. A total of four (4) full time equivalent positions would need to be eliminated. Elimination of five (5) toll free lines would result in the public and licensees being required to pay for long distance calls to the commission. Deferring replacement of obsolete personal computers would be required. Eliminating two (2) positions and the five (5) toll free lines in the Communications department would result in fewer customers being able to communicate with the commission. The elimination of one (1) investigator in the Enforcement division would result in longer times for complaints to be resolved and fewer complaints being resolved. The loss of one (1) employee in the Licensing department would cause delays in processing original and renewal applications. To ensure a minimal level of service to our licensees and the public, restoration of the 5% reduction is imperative.

2. Human resources issues are the number one priority for TREC. The challenge is three-fold: TREC must self-fund all salary increases, the agency's salaries are de-facto "capped" due to the restriction on the Administrator's salary, and the Commission is in danger of losing the experience and continuity gained by current

ADMINISTRATOR'S STATEMENT

79th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
TIME: 2:34:17PM
PAGE: 2

Agency code: 329

Agency name: Real Estate Commission

leadership. As it has done previously, TREC requests that the exempt salary cap for the Administrator be modified to a level commensurate with that for executives of similar state agencies. During fiscal year 2004, the TREC Administrator has assumed the additional responsibilities of Commissioner of the Texas Appraiser Licensing and Certification Board at no additional compensation. Competition from other state agencies has a direct impact on the ability of TREC to retain its experienced and qualified employees. We continue to lose qualified employees who are recruited by other state agencies which have the appropriations authority to pay higher salaries. While not able to equal the pay and benefits available in the private sector, the Commission's requirement must be to meet or approximate the remuneration provided by other state agencies. Only with the ability to pay state agency-competitive salaries can we retain qualified personnel. (See page 22 - Strategic Plan)

3. The Texas Real Estate Commission (TREC) is required to upgrade UNISYS software and hardware to remain in compliance with the maintenance agreement. TREC's enterprise server is the central item of the information technology infrastructure. This project represents a replacement of a five-year old CPU and operating system with one that will be supported and under maintenance with the vendor. This rider was removed from TREC's appropriation pattern for the 2002-2003 biennium due to monies being appropriated in fiscal year 2001 for the outright purchase of an enterprise server (TREC did not request the monies for the outright purchase. TREC requested monies for the continuation of annual lease purchase payments). Prior to fiscal year 2001 monies were appropriated annually for lease purchase payments for TREC's information resource technologies (enterprise server, disk, printers, and system software). Funding for this exceptional item would be a return to fiscal year 2000 type funding. A capital budget rider has been requested for this exceptional item. (See page 26 - Strategic Plan)

4. With the substantial rise in individuals seeking real estate licensure, the volume of transcript evaluations has soared in recent years. From a total of 20,396 transcript evaluations in fiscal year 2002, the number being reviewed and analyzed in fiscal year 2004 has soared to nearly 27,000. Additional staff are needed in the Education department to handle the increased workload associated with transcript evaluations and provide programming services associated with integrating the current education application into a cohesive system that ensures adaptability of future needs. TREC's education record keeping is not integrated into the overall Texas Real Estate Licensing Information System (TRELIS). An additional programmer is required to integrate education and licensing records. (See pages 21 and 25 - Strategic Plan)

5. The current 5 year lease of the Texas Real Estate Commission (TREC) expires August 31, 2006. The lease is for TREC Headquarters' operation located in Austin. The current lease was awarded effective September 1, 2001 and provides space necessary for the operation of TREC to meet statutory obligations. The new lease specifications submitted to the General Services Commission in May 2000 incorporated compliance with the legislative mandate of 153 square feet per employee. The subsequent mandate of 135 square feet per employee is a major consideration in the extension of TREC's current lease for an additional five years or the relocation of the TREC headquarters with a new lease. The current lease is all inclusive and has annual expenses of \$421,936 which include rent, utilities, janitorial services, exterminating services, electronic key-card access system, and alarm monitoring services. Relocation/moving expenses are estimated to be \$145,000. In 2001, TREC experienced a reduction in office space from 27,079 to 22,832 square feet. The current cost per square foot is approximately \$18.49 (all inclusive) and the estimated cost per square foot for the new lease is expected to be lower either at the current office location or at a new location. A contingency rider has been requested for moving expenses in the event TREC must relocate. Additionally, TREC must maintain funding for services and expenses associated with the current lease (utilities, janitorial services, and exterminating services, electronic key-card access system, and alarm monitoring services) in the event the new lease is for rent only. The reduction from 153 square feet per employee to 135 square per employee will be a determining factor in the relocation decision. TREC is requesting a contingency rider to address the relocation and related expenses in the event there is a location or lease change. (See page 22 - Strategic Plan)

6. Additional funding authority is needed for the Texas Real Estate Commission (TREC) to address the service delivery challenges detailed in TREC's Strategic Plan for 2005-2009 beginning on page 19. This funding would allow TREC the flexibility to expend revenues in critical areas that would provide a level of service that the Commission's licensees are paying for and that the public deserves. An appropriative rider is being requested for this funding initiative.

The Texas Real Estate Commission is proud of its performance as a premiere licensing and regulatory agency, one which is highly regarded by the public and its licensees who provide the revenue needed to fund its operations. With appropriations authority required for these exceptional items TREC will be able to ensure a continuation of the high level of customer service to which its licensees and the public have become accustomed.

ADMINISTRATOR'S STATEMENT

79th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**
TIME: **2:33:43PM**
PAGE: **3**

Agency code: **329**

Agency name: **Real Estate Commission**

Commission members serving at the time of the submission of this legislative appropriations request are:

Commission Member	Term of Office	Hometown
John Walton, Broker Member, Chair	2001-2007	Lubbock
Louise Hull, Broker Member, Vice-Chair	2001-2007	Victoria
James N. Austin, Jr., Broker Member, Secretary	1999-2005	Fort Worth
Mary Frances Burleson, Broker Member	2004-2009	Aubrey
Ramon "Mick" Cantu, Public Member	1999-2005	Houston
William H. Flores, Public Member	2004-2009	Sugar Land
Lawrence D. Jokl, Broker Member	1999-2005	Brownsville
Paul Jordan, Public Member	2001-2007	Georgetown
Elizabeth Leal, Broker Member	2004-2009	El Paso

2.A. SUMMARY OF BASE REQUEST BY STRATEGY
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**
 TIME: **2:39:49PM**

Agency code: **329** Agency name: **Real Estate Commission**

Goal / Objective / STRATEGY	Exp 2003	Est 2004	Bud 2005	Req 2006	Req 2007
1 Determine That TREC Applicants Meet Legal Requirements for Licensure					
1 Evaluate Applicants for Honesty/Integrity/Trustworthiness/Competency					
1 TREC LICENSING	1,244,007	1,111,240	1,140,581	1,059,746	1,059,746
TOTAL, GOAL 1	\$1,244,007	\$1,111,240	\$1,140,581	\$1,059,746	\$1,059,746
2 Enforce the TREC Laws and Rules in a Fair and Evenhanded Manner					
1 Resolve Complaints and Hold Hearings Expeditiously					
1 TREC INVESTIGATION	1,045,021	1,274,464	1,293,827	1,242,142	1,242,142
TOTAL, GOAL 2	\$1,045,021	\$1,274,464	\$1,293,827	\$1,242,142	\$1,242,142
3 To Communicate Effectively with the Public and Licensees					
1 Notify 100% of Licensees of Law/Rule Chnges w/i 60 Days; Custmr Survey					
1 LICENSEE/CONSUMER EDUCATION	586,801	555,413	554,351	485,505	485,505
TOTAL, GOAL 3	\$586,801	\$555,413	\$554,351	\$485,505	\$485,505
5 Indirect Administration					
1 Indirect Administration					
1 INDIRECT ADMINISTRATION	1,329,712	1,178,381	1,173,836	1,159,579	1,159,579
TOTAL, GOAL 5	\$1,329,712	\$1,178,381	\$1,173,836	\$1,159,579	\$1,159,579
TOTAL, AGENCY STRATEGY REQUEST	\$4,205,541	\$4,119,498	\$4,162,595	\$3,946,972	\$3,946,972

2.A. SUMMARY OF BASE REQUEST BY STRATEGY
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**
 TIME: **2:39:49PM**

Agency code: **329** Agency name: **Real Estate Commission**

Goal / Objective / STRATEGY	Exp 2003	Est 2004	Bud 2005	Req 2006	Req 2007
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$4,205,541	\$4,119,498	\$4,162,595	\$3,946,972	\$3,946,972
METHOD OF FINANCING:					
1 General Revenue Fund					
	\$4,016,359	\$3,937,373	\$3,973,095	\$3,757,472	\$3,757,472
666 Appropriated Receipts					
	\$188,965	\$181,725	\$185,500	\$185,500	\$185,500
971 Real Estate Recovery Trust Fund					
	\$208	\$200	\$3,500	\$3,500	\$3,500
988 Real Estate Inspection Trust Fund					
	\$9	\$200	\$500	\$500	\$500
TOTAL, METHOD OF FINANCING	\$4,205,541	\$4,119,498	\$4,162,595	\$3,946,972	\$3,946,972

*Rider appropriations for the historical years are included in the strategy amounts.

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE

79th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**

TIME: **3:14:56PM**

Agency code: **329**

Agency name: **Real Estate Commission**

METHOD OF FINANCING	Exp 2003	Est 2004	Bud 2005	Req 2006	Req 2007
<u>GENERAL REVENUE</u>					
1 General Revenue Fund					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations from MOF Table	\$3,751,821	\$3,938,815	\$3,938,815	\$3,757,472	\$3,757,472
<i>RIDER APPROPRIATION</i>					
Art VIII, Sec 4 - Texas Online Authority Appr	\$0	\$1,694	\$45,255	\$0	\$0
Art IX, Sec 10.40 - Contingency Appr S.B. 187	\$188,972	\$0	\$0	\$0	\$0
Art IX, Sec 10.46 - Contingent Appr for H.B. 695	\$223,000	\$0	\$0	\$0	\$0
<i>TRANSFERS</i>					
Art IX, Sec 10.12 (02-03 GAA) Salary Increase	\$110,933	\$0	\$0	\$0	\$0
Art IX, Sec 10.12 (02-03 GAA) Longevity Increase	\$30,860	\$0	\$0	\$0	\$0
Art IX, Sec 6.37 & Sec. 10.23 (02-03 GAA) Workers Comp	\$14,850	\$0	\$0	\$0	\$0
Art IX, Sec 10.36 (02-03 GAA) Cont Rider S.B. 311 Reverse Auct	\$(779)	\$0	\$0	\$0	\$0
Art IX, Sec 6.08 (02-03 GAA) Appr Transfer to TALCB	\$(6,732)	\$0	\$0	\$0	\$0
H.B. 7 (78th Legis, R.S., 2003) Appr Reduction	\$(290,790)	\$0	\$0	\$0	\$0
Art IX, Sec 12.03, Retirement Incentives (04-05 GAA)	\$0	\$(3,136)	\$(10,975)	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Lapsed Appropriations	\$(12,919)	\$0	\$0	\$0	\$0
<i>UNEXPENDED BALANCES AUTH</i>					
Art IX, Sec 6.17(j) (02-03 GAA) Capital Budget	\$7,143	\$0	\$0	\$0	\$0
TOTAL, General Revenue Fund	\$4,016,359	\$3,937,373	\$3,973,095	\$3,757,472	\$3,757,472

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE

79th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004

TIME: 3:14:51PM

Agency code: 329

Agency name: Real Estate Commission

METHOD OF FINANCING	Exp 2003	Est 2004	Bud 2005	Req 2006	Req 2007
<i>LAPSED APPROPRIATIONS</i>					
Lapsed Appropriations	\$ (491)	\$ (300)	\$ 0	\$ 0	\$ 0
TOTAL, Real Estate Inspection Trust Fund	\$ 9	\$ 200	\$ 500	\$ 500	\$ 500
TOTAL, ALL OTHER FUNDS	\$ 189,182	\$ 182,125	\$ 189,500	\$ 189,500	\$ 189,500
GRAND TOTAL	\$ 4,205,541	\$ 4,119,498	\$ 4,162,595	\$ 3,946,972	\$ 3,946,972

FULL-TIME-EQUIVALENT POSITIONS

REGULAR APPROPRIATIONS

Regular Appropriations	78.5	74.4	76.0	72.0	72.0
TOTAL, ADJUSTED FTES	78.5	74.4	76.0	72.0	72.0

2.C. SUMMARY OF BASE REQUEST BY OBJECT OF EXPENSE

79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**

TIME: **2:47:31PM**

Agency code: **329**

Agency name: **Real Estate Commission**

OBJECT OF EXPENSE	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
1001 SALARIES AND WAGES	\$2,841,340	\$2,746,213	\$2,793,430	\$2,689,774	\$2,689,774
1002 OTHER PERSONNEL COSTS	\$159,358	\$131,647	\$81,000	\$100,800	\$95,380
2001 PROFESSIONAL FEES AND SERVICES	\$51,799	\$41,224	\$49,000	\$41,000	\$41,000
2003 CONSUMABLE SUPPLIES	\$46,983	\$46,709	\$48,000	\$46,000	\$46,000
2004 UTILITIES	\$38,147	\$37,259	\$38,055	\$38,055	\$38,055
2005 TRAVEL	\$52,915	\$56,255	\$62,000	\$52,000	\$52,000
2006 RENT - BUILDING	\$422,516	\$422,519	\$423,000	\$423,000	\$423,000
2007 RENT - MACHINE AND OTHER	\$15,265	\$21,259	\$22,000	\$22,000	\$22,000
2009 OTHER OPERATING EXPENSE	\$566,399	\$616,413	\$646,110	\$534,343	\$539,763
5000 CAPITAL EXPENDITURES	\$10,819	\$0	\$0	\$0	\$0
OOE Total (Excluding Riders)	\$4,205,541	\$4,119,498	\$4,162,595	\$3,946,972	\$3,946,972
OOE Total (Riders)					
Grand Total	\$4,205,541	\$4,119,498	\$4,162,595	\$3,946,972	\$3,946,972

2.D. SUMMARY OF BASE REQUEST OBJECTIVE OUTCOMES

79th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation system of Texas (ABEST)

Date : **8/12/2004**

Time: **2:41:43PM**

Agency code: **329**

Agency name: **Real Estate Commission**

Goal/ Objective / Outcome	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
1 Determine That TREC Applicants Meet Legal Requirements for Licensure					
1 Evaluate Applicants for Honesty/Integrity/Trustworthiness/Competency					
KEY 1 Percent of Licensees with No Recent Violations	99.70%	98.00%	98.00%	98.00%	98.00%
KEY 2 Percent of Licensees Who Renew Online	25.15%	25.00%	25.00%	25.00%	25.00%
KEY 3 Percent of New Individual Licenses Issued Online	49.31%	45.00%	45.00%	45.00%	45.00%
2 Enforce the TREC Laws and Rules in a Fair and Evenhanded Manner					
1 Resolve Complaints and Hold Hearings Expeditiously					
1 Percent of Complaints Resulting in Disciplinary Action	5.60%	5.00%	5.00%	5.00%	5.00%
KEY 2 Percent of Documented Complaints Resolved within 6 Months	85.40%	70.00%	70.00%	65.00%	65.00%
3 To Communicate Effectively with the Public and Licensees					
1 Notify 100% of Licensees of Law/Rule Chnges w/i 60 Days; Custmr Survey					
1 % of Electronic Contacts Resulting in a Document	100.00%	100.00%	100.00%	100.00%	100.00%

2.E. SUMMARY OF EXCEPTIONAL ITEMS REQUEST

79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
 TIME : 2:42:48PM

Agency code: **329**

Agency name: **Real Estate Commission**

Priority	Item	2006			2007			Biennium	
		GR and GR/Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Restoration of 5% Reduction	\$ 197,762	\$ 197,762	4.0	\$ 197,762	\$ 197,762	4.0	\$ 395,524	\$ 395,524
2	Salary Adjustments	\$ 85,000	\$ 85,000		\$ 85,000	\$ 85,000		\$ 170,000	\$ 170,000
3	Upgrade UNISYS Hardware & Software	\$ 59,400	\$ 59,400		\$ 54,000	\$ 54,000		\$ 113,400	\$ 113,400
4	Education Upgrade	\$ 94,368	\$ 94,368	2.0	\$ 80,000	\$ 80,000	2.0	\$ 174,368	\$ 174,368
5	Contingency Relocation Expense	\$ 0	\$ 0		\$ 145,000	\$ 145,000		\$ 145,000	\$ 145,000
Total, Exceptional Items Request		\$ 436,530	\$ 436,530	6.0	\$ 561,762	\$ 561,762	6.0	\$ 998,292	\$ 998,292
Method of Financing									
	General Revenue	\$ 436,530	\$ 436,530		\$ 561,762	\$ 561,762		\$ 998,292	\$ 998,292
	General Revenue - Dedicated								
	Federal Funds								
	Other Funds								
		\$ 436,530	\$ 436,530		\$ 561,762	\$ 561,762		\$ 998,292	\$ 998,292

Full Time Equivalent Positions

6.0

6.0

2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/12/2004
 TIME : 2:43:48PM

Agency code: 329 Agency name: Real Estate Commission

Goal/Objective/STRATEGY	Base 2006	Base 2007	Exceptional 2006	Exceptional 2007	Total Request 2006	Total Request 2007
1 Determine That TREC Applicants Meet Legal Requirements for Licensure						
1 Evaluate Applicants for Honesty/Integrity/Trustworthiness/Competency						
1 TREC LICENSING	\$ 1,059,746	\$ 1,059,746	\$ 170,854	\$ 128,721	\$ 1,230,600	\$ 1,188,467
TOTAL, GOAL 1	\$ 1,059,746	\$ 1,059,746	\$ 170,854	\$ 128,721	\$ 1,230,600	\$ 1,188,467
2 Enforce the TREC Laws and Rules in a Fair and Evenhanded Manner						
1 Resolve Complaints and Hold Hearings Expeditiously						
1 TREC INVESTIGATION	1,242,142	1,242,142	82,083	81,623	1,324,225	1,323,765
TOTAL, GOAL 2	\$ 1,242,142	\$ 1,242,142	\$ 82,083	\$ 81,623	\$ 1,324,225	\$ 1,323,765
3 To Communicate Effectively with the Public and Licensees						
1 Notify 100% of Licensees of Law/Rule Chnges w/i 60 Days; Custmr Survey						
1 LICENSEE/CONSUMER EDUCATION	485,505	485,505	83,467	87,181	568,972	572,686
TOTAL, GOAL 3	\$ 485,505	\$ 485,505	\$ 83,467	\$ 87,181	\$ 568,972	\$ 572,686
5 Indirect Administration						
1 Indirect Administration						
1 INDIRECT ADMINISTRATION	1,159,579	1,159,579	100,126	264,237	1,259,705	1,423,816
TOTAL, GOAL 5	\$ 1,159,579	\$ 1,159,579	\$ 100,126	\$ 264,237	\$ 1,259,705	\$ 1,423,816
TOTAL, AGENCY STRATEGY REQUEST	\$ 3,946,972	\$ 3,946,972	\$ 436,530	\$ 561,762	\$ 4,383,502	\$ 4,508,734
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$ 3,946,972	\$ 3,946,972	\$ 436,530	\$ 561,762	\$ 4,383,502	\$ 4,508,734

2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/12/2004
 TIME : 2:43:45PM

Agency code: 329 Agency name: Real Estate Commission

<i>Goal/Objective/STRATEGY</i>	Base 2006	Base 2007	Exceptional 2006	Exceptional 2007	Total Request 2006	Total Request 2007
General Revenue Funds:						
1 GENERAL REVENUE FUND	\$ 3,757,472	\$ 3,757,472	\$ 436,530	\$ 561,762	\$ 4,194,002	\$ 4,319,234
	\$ 3,757,472	\$ 3,757,472	\$ 436,530	\$ 561,762	\$ 4,194,002	\$ 4,319,234
Other Funds:						
666 APPROPRIATED RECEIPTS	185,500	185,500	0	0	185,500	185,500
971 REAL ESTATE RECOVERY FUND	3,500	3,500	0	0	3,500	3,500
988 REAL ESTATE INSPEC TRUST	500	500	0	0	500	500
	\$ 189,500	\$ 189,500	\$ 0	\$ 0	\$ 189,500	\$ 189,500
TOTAL, METHOD OF FINANCING	\$ 3,946,972	\$ 3,946,972	\$ 436,530	\$ 561,762	\$ 4,383,502	\$ 4,508,734
FULL TIME EQUIVALENT POSITIONS	72.0	72.0	6.0	6.0	78.0	78.0

2.G. SUMMARY OF TOTAL REQUEST OBJECTIVE OUTCOMES

79th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/13/2004
Time: 9:57:45AM

Agency code: 329		Agency name: Real Estate Commission				Total Request	Total Request
Goal/ Objective / Outcome	BL 2006	BL 2007	Excp 2006	Excp 2007	2006	2007	
1	Determine That TREC Applicants Meet Legal Requirements for Licensure						
	1 Evaluate Applicants for Honesty/Integrity/Trustworthiness/Competency						
KEY	1 Percent of Licensees with No Recent Violations						
	98.00%	98.00%			98.00%	98.00%	
KEY	2 Percent of Licensees Who Renew Online						
	25.00%	25.00%			25.00%	25.00%	
KEY	3 Percent of New Individual Licenses Issued Online						
	45.00%	45.00%			45.00%	45.00%	
2	Enforce the TREC Laws and Rules in a Fair and Evenhanded Manner						
	1 Resolve Complaints and Hold Hearings Expeditiously						
	1 Percent of Complaints Resulting in Disciplinary Action						
	5.00%	5.00%			5.00%	5.00%	
KEY	2 Percent of Documented Complaints Resolved within 6 Months						
	65.00%	65.00%	70.00 %	70.00%	70.00%	70.00%	
3	To Communicate Effectively with the Public and Licensees						
	1 Notify 100% of Licensees of Law/Rule Chnges w/i 60 Days; Custmr Survey						
	1 % of Electronic Contacts Resulting in a Document						
	100.00%	100.00%			100.00%	100.00%	

GENERAL REVENUE (GR) & GENERAL REVENUE DEDICATED (GR-D) BASELINE REPORT

DATE: 8/12/2004

79th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

TIME: 2:53:15PM

Agency code: 329

Agency name: Real Estate Commission

GR Baseline Request Limit = \$8,170,910

GR-D Baseline Request Limit = \$0

Strategy/Strategy Option/Rider				2006 Funds				2007 Funds				Biennial Cumulative GR	Biennial Cumulative Ded	Page #
FTEs	Total	GR	Ded	FTEs	Total	GR	Ded							
Strategy: 1 - 1 - 1 Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses														
17.1	1,059,746	1,059,746	0	17.1	1,059,746	1,059,746	0	2,119,492	0					
Strategy: 2 - 1 - 1 Investigate Complaints and Resolve Valid Complaint Case														
25.5	1,242,142	1,232,642	0	25.5	1,242,142	1,232,642	0	4,584,776	0					
Strategy: 3 - 1 - 1 Prepare and Distribute Information Describing TREC Functions														
12.0	485,505	305,505	0	12.0	485,505	305,505	0	5,195,786	0					
Strategy: 5 - 1 - 1 Indirect Administration														
17.4	1,159,579	1,159,579	0	17.4	1,159,579	1,159,579	0	7,514,944	0					
Excp Item: 1 Restoration of appropriation baseline for the Texas Real Estate Commission that was reduced by 5% per directive of the Governor's Office of Budget and Planning and the Legislative Budget Board.														
4.0	197,762	197,762	0	4.0	197,762	197,762	0	7,910,468	0					
Strategy Detail for Excp Item: 1														
Strategy: 1 - 1 - 1 Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses														
1.0	60,423	60,423	0	1.0	59,658	59,658	0							
Strategy: 2 - 1 - 1 Investigate Complaints and Resolve Valid Complaint Case														
1.0	51,311	51,311	0	1.0	50,851	50,851	0							
Strategy: 3 - 1 - 1 Prepare and Distribute Information Describing TREC Functions														
2.0	69,505	69,505	0	2.0	73,219	73,219	0							
Strategy: 5 - 1 - 1 Indirect Administration														
0.0	16,523	16,523	0	0.0	14,034	14,034	0							
Excp Item: 2 Salary adjustments to retain experienced staff														
0.0	85,000	85,000	0	0.0	85,000	85,000	0	8,080,468	0					

GENERAL REVENUE (GR) & GENERAL REVENUE DEDICATED (GR-D) BASELINE REPORT

DATE: 8/12/2004
TIME: 2:53:15PM

79th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 329

Agency name: Real Estate Commission

GR Baseline Request Limit = \$8,170,910

GR-D Baseline Request Limit = \$0

Strategy/Strategy Option/Rider				2006 Funds				2007 Funds				Biennial	Biennial	Page #
FTEs	Total	GR	Ded	FTEs	Total	GR	Ded	Cumulative GR	Cumulative Ded					
Strategy Detail for Excp Item: 2														
Strategy: 1 - 1 - 1 Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses														
0.0	16,063	16,063	0	0.0	16,063	16,063	0							
Strategy: 2 - 1 - 1 Investigate Complaints and Resolve Valid Complaint Case														
0.0	30,772	30,772	0	0.0	30,772	30,772	0							
Strategy: 3 - 1 - 1 Prepare and Distribute Information Describing TREC Functions														
0.0	13,962	13,962	0	0.0	13,962	13,962	0							
Strategy: 5 - 1 - 1 Indirect Administration														
0.0	24,203	24,203	0	0.0	24,203	24,203	0							
76.0				76.0				*****GR Baseline Request Limit=\$8,170,910*****						
Excp Item: 3 Upgrade UNISYS software and hardware to remain in compliance with maintenance agreement.														
0.0	59,400	59,400	0	0.0	54,000	54,000	0	8,193,868	0					
Strategy Detail for Excp Item: 3														
Strategy: 5 - 1 - 1 Indirect Administration														
0.0	59,400	59,400	0	0.0	54,000	54,000	0							
Excp Item: 4 Education Record Keeping Upgrade														
2.0	94,368	94,368	0	2.0	80,000	80,000	0	8,368,236	0					
Strategy Detail for Excp Item: 4														
Strategy: 1 - 1 - 1 Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses														
2.0	94,368	94,368	0	1.5	53,000	53,000	0							
Strategy: 5 - 1 - 1 Indirect Administration														
0.0	0	0	0	0.5	27,000	27,000	0							
Excp Item: 5 Contingency relocation expense for Austin Headquarters														
0.0	0	0	0	0.0	145,000	145,000	0	8,513,236	0					

GENERAL REVENUE (GR) & GENERAL REVENUE DEDICATED (GR-D) BASELINE REPORT

DATE: 8/12/2004

79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

TIME: 2:52:54PM

Agency code: 329

Agency name: Real Estate Commission

GR Baseline Request Limit = \$8,170,910

GR-D Baseline Request Limit = \$0

Strategy/Strategy Option/Rider				2006 Funds				2007 Funds				Biennial	Biennial	Page #																																					
FTEs	Total	GR	Ded	FTEs	Total	GR	Ded	Cumulative GR	Cumulative Ded																																										
<table border="1"> <tr> <td colspan="13">Strategy Detail for Excp Item: 5</td> </tr> <tr> <td colspan="13">Strategy: 5 - 1 - 1 Indirect Administration</td> </tr> <tr> <td>0.0</td> <td>0</td> <td>0</td> <td>0</td> <td>0.0</td> <td>145,000</td> <td>145,000</td> <td>0</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>													Strategy Detail for Excp Item: 5													Strategy: 5 - 1 - 1 Indirect Administration													0.0	0	0	0	0.0	145,000	145,000	0					
Strategy Detail for Excp Item: 5																																																			
Strategy: 5 - 1 - 1 Indirect Administration																																																			
0.0	0	0	0	0.0	145,000	145,000	0																																												
78.0	\$4,383,502	\$4,194,002	\$0	78.0	\$4,508,734	\$4,319,234	0																																												

3.A. STRATEGY REQUEST
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
 TIME: 2:45:39PM

Agency code: **329** Agency name: **Real Estate Commission**

GOAL: 1 Determine That TREC Applicants Meet Legal Requirements for Licensure Statewide Goal/Benchmark: 8 0
 OBJECTIVE: 1 Evaluate Applicants for Honesty/Integrity/Trustworthiness/Competency Service Categories:
 STRATEGY: 1 Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
Output Measures:						
1	Number of Individuals Examined	31,141.00	32,000.00	30,000.00	30,000.00	30,000.00
2	Number of New Licenses Issued to Individuals	23,381.00	20,000.00	20,000.00	17,000.00	17,000.00
3	Number of Licenses Renewed (Individuals)	62,818.00	63,000.00	60,000.00	44,500.00	44,500.00
Efficiency Measures:						
1	Average Licensing Cost Per Individual License Issued	14.59	15.00	15.00	15.00	15.00
2	Average Time for Individual License Issuance (Days)	33.20	37.00	37.00	42.00	42.00
3	Average Time for Individual License Renewal	2.50	3.50	3.50	4.50	4.50
4	Percentage New Indiv Licences within 10 Days	97.00 %	95.00 %	95.00 %	92.00 %	92.00 %
5	% Indiv License Renewals within 7 Days	99.70 %	97.00 %	97.00 %	94.00 %	94.00 %
Explanatory/Input Measures:						
1	Pass Rate	83.60 %	80.00 %	80.00 %	80.00 %	80.00 %
2	Total Number of Programs/Schools Licensed	172.00	180.00	180.00	180.00	180.00
3	Total Number of Individuals Licensed	125,071.00	127,500.00	127,500.00	127,500.00	127,500.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$682,081	\$524,366	\$526,343	\$503,867	\$503,867
1002	OTHER PERSONNEL COSTS	\$30,235	\$25,008	\$18,545	\$23,144	\$21,605
2001	PROFESSIONAL FEES AND SERVICES	\$14,437	\$259	\$476	\$476	\$476
2003	CONSUMABLE SUPPLIES	\$8,518	\$9,529	\$8,832	\$8,464	\$8,464
2004	UTILITIES	\$3,816	\$3,220	\$3,486	\$3,486	\$3,486
2005	TRAVEL	\$3,126	\$1,241	\$1,000	\$1,000	\$1,000
2006	RENT - BUILDING	\$148,943	\$148,943	\$148,943	\$148,943	\$148,943
2007	RENT - MACHINE AND OTHER	\$8,592	\$13,449	\$13,400	\$13,400	\$13,400
2009	OTHER OPERATING EXPENSE	\$344,259	\$385,225	\$419,556	\$356,966	\$358,505
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0

3.A. STRATEGY REQUEST
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
 TIME: 2:45:39PM

Agency code: **329** Agency name: **Real Estate Commission**

GOAL: 1 Determine That TREC Applicants Meet Legal Requirements for Licensure Statewide Goal/Benchmark: 8 0
 OBJECTIVE: 1 Evaluate Applicants for Honesty/Integrity/Trustworthiness/Competency Service Categories:
 STRATEGY: 1 Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
TOTAL, OBJECT OF EXPENSE		\$1,244,007	\$1,111,240	\$1,140,581	\$1,059,746	\$1,059,746
Method of Financing:						
1	GENERAL REVENUE FUND	\$1,241,994	\$1,111,240	\$1,140,581	\$1,059,746	\$1,059,746
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,241,994	\$1,111,240	\$1,140,581	\$1,059,746	\$1,059,746
Method of Financing:						
666	APPROPRIATED RECEIPTS	\$2,013	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (OTHER FUNDS)		\$2,013	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,059,746	\$1,059,746
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,244,007	\$1,111,240	\$1,140,581	\$1,059,746	\$1,059,746
FULL TIME EQUIVALENT POSITIONS:		21.4	17.8	18.1	17.1	17.1

STRATEGY DESCRIPTION AND JUSTIFICATION:

Chapter 1101, Texas Occupations Code (The Real Estate License Act) and Chapter 1102, Texas Occupations Code (Real Estate Inspectors) require persons providing real estate brokerage and inspection services, easement or right-of-way agents, proprietary real estate prelicense education, and mandatory continuing education to be licensed. To assure that all broker, salesperson and inspector licensees meet statutory requirements the Commission reviews transcripts and coursework. Applicants are also required to demonstrate competency by passing an examination. To determine the honesty, trustworthiness, and integrity of licensees, the Commission submits the names of license applicants to the Texas Department of Public Safety (DPS) for criminal history checks. The processing of each application is an integrated function that requires the participation of each of the agency's operating divisions. Each division provides substantially the same services when a license is renewed. This comprehensive process ensures the protection of the consumers of real estate services. This strategy contributes to meeting priority goals established in Vision Texas by ensuring that Texas consumers are effectively and efficiently served by high quality professionals and businesses by setting clear standards, maintaining compliance, and seeking innovative solutions.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

3.A. STRATEGY REQUEST
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
 TIME: 2:45:39PM

Agency code: **329** Agency name: **Real Estate Commission**

GOAL:	1	Determine That TREC Applicants Meet Legal Requirements for Licensure	Statewide Goal/Benchmark:	8	0
OBJECTIVE:	1	Evaluate Applicants for Honesty/Integrity/Trustworthiness/Competency	Service Categories:		
STRATEGY:	1	Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses	Service:	16	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
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Funding for this strategy reflects decreases in expenditures as a result of the five (5) percent reduction in funding directed by the Governor's Office of Budget, Planning and Policy and the Legislative Budget Board in a letter dated June 16, 2004. The reduction of one full time equivalent employee would have a detrimental affect on the strategy workload and would cause a negative impact on the performance measures. Restoration of funding for this strategy will be requested as an exceptional item. TREC is requesting a level of funding that would permit the commission to provide a level of service that the licensees are paying for and that the public and licensees deserve.

The Education and Licensing Division processes and evaluates the application and education information. Staff Services ensures payment and timely deposit of the statutorily required fees. Information Services provides the information infrastructure to accomplish all licensing functions, including electronic interfaces with Texas Guaranteed Student Loan Corporation (TGSLC) and DPS. The Enforcement Division reviews TGSLC and DPS information to determine whether to discipline licensees or disapprove applications. The Administration Division provides policy development and oversight of agency procedures.

Salary adjustments are necessary to reduce turnover caused by TREC employees relocating to other state agencies where salary levels are higher for the same type of work. (Agency Strategic Plan for the 2005-2009 Period for TREC, Page 20).

3.A. STRATEGY REQUEST
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
 TIME: 2:45:39PM

Agency code: **329** Agency name: **Real Estate Commission**

GOAL: 2 Enforce the TREC Laws and Rules in a Fair and Evenhanded Manner Statewide Goal/Benchmark: 8 2
 OBJECTIVE: 1 Resolve Complaints and Hold Hearings Expediently Service Categories:
 STRATEGY: 1 Investigate Complaints and Resolve Valid Complaint Case Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
Output Measures:						
1	Number of Complaints Resolved	3,216.00	2,700.00	2,700.00	2,430.00	2,430.00
2	Number of Orders Issued by Hearings Officer	220.00	150.00	150.00	130.00	130.00
Efficiency Measures:						
1	Average Time for Complaint Resolution (Days)	85.00	110.00	110.00	121.00	121.00
2	Average Cost Per Complaint Resolved	295.38	300.00	300.00	350.00	350.00
Explanatory/Input Measures:						
1	Jurisdictional Complaints Received	3,333.00	2,700.00	2,900.00	2,900.00	2,900.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$820,271	\$993,116	\$1,015,627	\$983,160	\$983,160
1002	OTHER PERSONNEL COSTS	\$44,383	\$42,978	\$26,969	\$33,661	\$32,649
2001	PROFESSIONAL FEES AND SERVICES	\$284	\$12,494	\$22,198	\$14,198	\$14,198
2003	CONSUMABLE SUPPLIES	\$6,703	\$8,939	\$6,864	\$6,578	\$6,578
2004	UTILITIES	\$8,296	\$13,001	\$13,735	\$13,735	\$13,735
2005	TRAVEL	\$18,933	\$26,855	\$34,100	\$26,600	\$26,600
2006	RENT - BUILDING	\$100,421	\$100,421	\$100,421	\$100,421	\$100,421
2007	RENT - MACHINE AND OTHER	\$40	\$201	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$45,690	\$76,459	\$73,913	\$63,789	\$64,801
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$1,045,021	\$1,274,464	\$1,293,827	\$1,242,142	\$1,242,142
Method of Financing:						
1	GENERAL REVENUE FUND	\$1,044,804	\$1,272,339	\$1,284,327	\$1,232,642	\$1,232,642
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,044,804	\$1,272,339	\$1,284,327	\$1,232,642	\$1,232,642

Method of Financing:

3.A. STRATEGY REQUEST
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
 TIME: 2:45:39PM

Agency code: **329** Agency name: **Real Estate Commission**

GOAL:	2	Enforce the TREC Laws and Rules in a Fair and Evenhanded Manner	Statewide Goal/Benchmark:	8	2
OBJECTIVE:	1	Resolve Complaints and Hold Hearings Expediently	Service Categories:		
STRATEGY:	1	Investigate Complaints and Resolve Valid Complaint Case	Service:	16	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
666	APPROPRIATED RECEIPTS	\$0	\$1,725	\$5,500	\$5,500	\$5,500
971	REAL ESTATE RECOVERY FUND	\$208	\$200	\$3,500	\$3,500	\$3,500
988	REAL ESTATE INSPEC TRUST	\$9	\$200	\$500	\$500	\$500
SUBTOTAL, MOF (OTHER FUNDS)		\$217	\$2,125	\$9,500	\$9,500	\$9,500
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,242,142	\$1,242,142
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,045,021	\$1,274,464	\$1,293,827	\$1,242,142	\$1,242,142
FULL TIME EQUIVALENT POSITIONS:		21.8	26.1	26.5	25.5	25.5

STRATEGY DESCRIPTION AND JUSTIFICATION:

Chapter 1101, Texas Occupations Code (The Real Estate License Act) requires a signed written complaint or Commission authorization to initiate an investigation and disciplinary action. Each complaint is reviewed by an attorney or legal assistant to determine if the complaint is within the jurisdiction of the agency and, if so, assigned to an investigator. An investigator interviews and obtains documentation from the complainant, licensee, and potential witnesses and submits a written report. The investigative report is then evaluated by headquarters enforcement staff to determine whether disciplinary action is appropriate. A formal notice invites response from the licensee to discuss resolution of the matter prior to the hearing process. If the complaint is not resolved at this point, disciplinary action begins with the filing of an allegation. Unless the case is resolved by an agreed order, a hearing is called before the agency's administrative hearings officer. The Commission may subpoena witnesses and compel the production of documents. Venue for most hearings is in the county of the licensee's principal place of business. This strategy contributes to meeting priority goals established in Vision Texas by ensuring that Texas consumers are effectively and efficiently served by high quality professionals and businesses by setting clear standards, maintaining compliance, and seeking innovative solutions. One full-time investigator position is eliminated at this reduced level of funding.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

3.A. STRATEGY REQUEST
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
 TIME: 2:45:39PM

Agency code: **329** Agency name: **Real Estate Commission**

GOAL:	2	Enforce the TREC Laws and Rules in a Fair and Evenhanded Manner	Statewide Goal/Benchmark:	8	2
OBJECTIVE:	1	Resolve Complaints and Hold Hearings Exeditiously	Service Categories:		
STRATEGY:	1	Investigate Complaints and Resolve Valid Complaint Case	Service:	16	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
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Restoration of funding for this strategy will be requested as an exceptional item. TREC is requesting a level of funding that would permit the commission to provide a level of service that the licensees are paying for and that the public and licensees deserve.

Consumer protection and satisfaction depends on the regulated industry's and the public's perception that violators will be disciplined in a timely and fair manner. Disciplinary actions for violations of Chapter 1101, Texas Occupations Code (The Real Estate License Act) and Chapter 1102, Texas Occupations Code (Real Estate Inspectors) should be fair, swift and sure, serving both as a deterrent to licensees and as a satisfactory resolution to complaints.

The reduction of one (1) full-time employee will have a negative effect on workloads and performance measures. The projected decreases for some measures incorporate concerns that, due to the turnover rate and difficulty in hiring and retaining competent personnel, there may be a negative impact on TREC's ability to offer quality customer service. TREC is exploring additional ways to streamline work processes wherever possible. A factor that will impact TREC's ability to reach some measure targets is the number of complaints the Commission receives yearly.

Salary adjustments are an integral component to retaining employees and reducing turnover caused by employees relocating to other state agencies where salary levels are higher for the same type of work. (Agency Strategic Plan for the 2005-2009 Period for TREC, Page 20).

3.A. STRATEGY REQUEST
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
 TIME: 2:45:39PM

Agency code: **329** Agency name: **Real Estate Commission**

GOAL: 3 To Communicate Effectively with the Public and Licensees Statewide Goal/Benchmark: 8 0
 OBJECTIVE: 1 Notify 100% of Licensees of Law/Rule Chnges w/i 60 Days; Custmr Survey Service Categories:
 STRATEGY: 1 Prepare and Distribute Information Describing TREC Functions Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
Output Measures:						
1	Number of Calls Received	504,957.00	450,000.00	450,000.00	400,000.00	400,000.00
2	Number of Electronic Contacts Received	15,378,766.00	15,000,000.00	15,000,000.00	15,000,000.00	15,000,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$462,877	\$477,702	\$490,112	\$441,399	\$441,399
1002	OTHER PERSONNEL COSTS	\$14,897	\$18,190	\$9,654	\$16,343	\$11,654
2001	PROFESSIONAL FEES AND SERVICES	\$2,124	\$60	\$368	\$368	\$368
2003	CONSUMABLE SUPPLIES	\$1,877	\$1,096	\$1,920	\$1,840	\$1,840
2004	UTILITIES	\$5,786	\$3,889	\$2,265	\$2,265	\$2,265
2005	TRAVEL	\$8,277	\$0	\$0	\$0	\$0
2006	RENT - BUILDING	\$12,236	\$12,236	\$12,236	\$12,236	\$12,236
2007	RENT - MACHINE AND OTHER	\$9	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$73,264	\$42,240	\$37,796	\$11,054	\$15,743
5000	CAPITAL EXPENDITURES	\$5,454	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$586,801	\$555,413	\$554,351	\$485,505	\$485,505
Method of Financing:						
1	GENERAL REVENUE FUND	\$399,849	\$375,413	\$374,351	\$305,505	\$305,505
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$399,849	\$375,413	\$374,351	\$305,505	\$305,505
Method of Financing:						
666	APPROPRIATED RECEIPTS	\$186,952	\$180,000	\$180,000	\$180,000	\$180,000
SUBTOTAL, MOF (OTHER FUNDS)		\$186,952	\$180,000	\$180,000	\$180,000	\$180,000

3.A. STRATEGY REQUEST
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
 TIME: 2:45:39PM

Agency code: **329** Agency name: **Real Estate Commission**

GOAL: 3 To Communicate Effectively with the Public and Licensees Statewide Goal/Benchmark: 8 0
 OBJECTIVE: 1 Notify 100% of Licensees of Law/Rule Chnges w/i 60 Days; Custmr Survey Service Categories:
 STRATEGY: 1 Prepare and Distribute Information Describing TREC Functions Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$485,505	\$485,505
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$586,801	\$555,413	\$554,351	\$485,505	\$485,505
FULL TIME EQUIVALENT POSITIONS:		15.6	14.0	14.0	12.0	12.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

Chapter 1101, Texas Occupations Code (The Real Estate License Act) requires the Commission to communicate effectively and efficiently with the public to fulfill its mission. As part of TREC's Compact with Texans, the agency provides for public response by making available a customer service survey. The brief questionnaire is available at the agency's customer service window and is accessible from TREC's website. The Commission remains a leader in state government in employing technology to enhance and expand its communication with the consumers of real estate services. TREC educates licensees and the public about its statutes and rules via public speaking engagements, personal contacts, electronic means including E-mail, our web site, and a quarterly newsletter. Information and advisory opinions are also provided in response to telephonic, electronic and written requests. The Communications section answers 5 toll free and 3 local lines for TREC and 1 toll free line for TALCB. This has proven to be an effective means of addressing the wide range and increasing number of telephone calls received annually. TREC customers appreciate the ability to contact the agency via toll free lines and to receive prompt and correct answers to their questions. In addition to answering phones, TREC Communications' staff respond to e-mail and customer survey questions within 48 hours.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Funding for this strategy reflects decreases in expenditures as a result of the five (5) percent reduction in funding directed by the Governor's Office of Budget, Planning and Policy and the Legislative Budget Board in a letter dated June 16, 2004. The reduction of two full time equivalent employees and the elimination of five toll free lines would have a detrimental affect on the strategy workload and would cause a negative impact on the performance measures. Restoration of funding for this strategy will be requested as an exceptional item. TREC is requesting a level of funding that would permit the commission to provide a level of service that the licensees are paying for and that the public and licensees deserve.

A continuation of current salary levels will result in the loss of experienced staff to other state agencies. This would negatively impact TREC's ability to deliver excellent customer service. Salary adjustments are necessary to reduce turnover caused by TREC employees relocating to other state agencies where salary levels are higher for the same type of work. (Agency Strategic Plan for the 2005-2009 Period for TREC, H. Self Evaluation and Opportunities for Improvement, Prioritization of Strategic Planning Initiatives, Human Resources, Page 20).

3.A. STRATEGY REQUEST
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
 TIME: 2:45:39PM

Agency code: **329** Agency name: **Real Estate Commission**

GOAL: 5 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 1 Indirect Administration

Statewide Goal/Benchmark: 8 0
 Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
Objects of Expense:						
1001	SALARIES AND WAGES	\$876,111	\$751,029	\$761,348	\$761,348	\$761,348
1002	OTHER PERSONNEL COSTS	\$69,843	\$45,471	\$25,832	\$27,652	\$29,472
2001	PROFESSIONAL FEES AND SERVICES	\$34,954	\$28,411	\$25,958	\$25,958	\$25,958
2003	CONSUMABLE SUPPLIES	\$29,885	\$27,145	\$30,384	\$29,118	\$29,118
2004	UTILITIES	\$20,249	\$17,149	\$18,569	\$18,569	\$18,569
2005	TRAVEL	\$22,579	\$28,159	\$26,900	\$24,400	\$24,400
2006	RENT - BUILDING	\$160,916	\$160,919	\$161,400	\$161,400	\$161,400
2007	RENT - MACHINE AND OTHER	\$6,624	\$7,609	\$8,600	\$8,600	\$8,600
2009	OTHER OPERATING EXPENSE	\$103,186	\$112,489	\$114,845	\$102,534	\$100,714
5000	CAPITAL EXPENDITURES	\$5,365	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$1,329,712	\$1,178,381	\$1,173,836	\$1,159,579	\$1,159,579
Method of Financing:						
1	GENERAL REVENUE FUND	\$1,329,712	\$1,178,381	\$1,173,836	\$1,159,579	\$1,159,579
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,329,712	\$1,178,381	\$1,173,836	\$1,159,579	\$1,159,579
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,159,579	\$1,159,579
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,329,712	\$1,178,381	\$1,173,836	\$1,159,579	\$1,159,579
FULL TIME EQUIVALENT POSITIONS:		19.7	16.5	17.4	17.4	17.4
STRATEGY DESCRIPTION AND JUSTIFICATION:						

3.A. STRATEGY REQUEST
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
 TIME: 2:45:39PM

Agency code: **329** Agency name: **Real Estate Commission**

GOAL:	5	Indirect Administration	Statewide Goal/Benchmark:	8	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	1	Indirect Administration	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
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Indirect Administrative costs are reflected in this strategy which is dictated by Chapter 1101, Texas Occupations Code (The Real Estate License Act) and Chapter 1102, Texas Occupations Code (Real Estate Inspectors). The costs associated with this strategy are necessary to ensure the agency functions efficiently. In addition to leadership and day-to-day management, the Administration Division performs key functions to assist and protect the consumers of real estate services. The functions include direction of the hearings process, coordination of Advisory committees and the newsletter, drafting of proposed rules and legislation, and implementation of staff development programs. The Staff Services Division provides accounting, budget, human resources, purchasing, cashier, quick copy, and other support to the agency. The Information Services Division provides agency-wide support in three main areas: (1) internal computer systems which include fees receipts, education evaluation, examination result posting, license and renewal processing, enforcement case tracking, open records access and education provider approval systems; (2) cooperative systems working in concert with the TGSLC, the OATG in the collection of delinquent child support, the DPS in criminal history checks of applicants, and the Real Estate Center at Texas A&M University in licensee demographic and address data; and (3) public access systems including World Wide Web Site, on-line renewals and original applications, and E-mail system.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The agency could not operate without funding for this strategy. A continuation of current salary levels will result in the loss of experienced staff to other state agencies. This would negatively impact TREC's ability to deliver excellent customer service. (Agency Strategic Plan for the 2003-2007 Period, G. Service Delivery Challenges and Opportunities, Longer Term Modifications to Rules or Statutes, Communications, Item 26, page 19.) TREC is requesting a level of funding that would permit the commission to provide a level of service that the licensees are paying for and that the public and licensees deserve.

3.A. STRATEGY REQUEST
79th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
TIME: 2:45:36PM

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$4,205,541	\$4,119,498	\$4,162,595	\$3,946,972	\$3,946,972
METHODS OF FINANCE (INCLUDING RIDERS):				\$3,946,972	\$3,946,972
METHODS OF FINANCE (EXCLUDING RIDERS):	\$4,205,541	\$4,119,498	\$4,162,595	\$3,946,972	\$3,946,972
FULL TIME EQUIVALENT POSITIONS:	78.5	74.4	76.0	72.0	72.0

Rider Revisions and Additions Request

Agency Code: 329	Agency Name: Texas Real Estate Commission	Prepared By: Alan R. Waters	Date: 07/22/04	Request Level: Base																					
Current Rider Number	Page Number in 2004-05 GAA	Proposed Rider Language																							
701	VIII	<p>Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.</p> <table style="width: 100%; margin-left: 40px;"> <thead> <tr> <th style="width: 70%;"></th> <th style="text-align: right; width: 15%;"><u>2006</u></th> <th style="text-align: right; width: 15%;"><u>2007</u></th> </tr> </thead> <tbody> <tr> <td colspan="3"><u>Out of the General Revenue Fund</u></td> </tr> <tr> <td colspan="3">b. <u>Acquisition of Information Resource Technologies:</u></td> </tr> <tr> <td style="padding-left: 20px;">(1) <u>Acquisition of Information Resource Technologies</u></td> <td style="text-align: right;">\$ 54,000</td> <td style="text-align: right;">\$ 54,000</td> </tr> <tr> <td style="padding-left: 20px;">(2) <u>Consumables for start-up</u></td> <td style="text-align: right;"><u>5,400</u></td> <td></td> </tr> <tr> <td style="padding-left: 20px;"><u>Total Capital Budget</u></td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;"><u>Total, Capital Budget</u></td> <td style="text-align: right;"><u>\$ 59,500</u></td> <td style="text-align: right;"><u>\$ 54,000</u></td> </tr> </tbody> </table> <p><i>This rider is needed by the Texas Real Estate Commission (TREC) to upgrade UNISYS software and hardware to remain in compliance with the maintenance agreement. TREC's enterprise server is the central item of the information technology infrastructure. This project represents a replacement of a five-year old CPU and operating system with one that will be supported and under maintenance with the vendor. This rider was removed from TREC's appropriation pattern for the 2002-2003 biennium due to monies being appropriated in fiscal year 2001 for the outright purchase of an enterprise server (TREC did not request the monies for the outright purchase. TREC requested monies for the continuation of annual lease purchase payments). Prior to fiscal year 2001 monies were appropriated annually for lease purchase payments for TREC's information resource technologies (enterprise server, disk, printers, and system software). This rider would be a return to fiscal year 2000 type funding. An exceptional item request is being submitted for this funding.</i></p>				<u>2006</u>	<u>2007</u>	<u>Out of the General Revenue Fund</u>			b. <u>Acquisition of Information Resource Technologies:</u>			(1) <u>Acquisition of Information Resource Technologies</u>	\$ 54,000	\$ 54,000	(2) <u>Consumables for start-up</u>	<u>5,400</u>		<u>Total Capital Budget</u>			<u>Total, Capital Budget</u>	<u>\$ 59,500</u>	<u>\$ 54,000</u>
	<u>2006</u>	<u>2007</u>																							
<u>Out of the General Revenue Fund</u>																									
b. <u>Acquisition of Information Resource Technologies:</u>																									
(1) <u>Acquisition of Information Resource Technologies</u>	\$ 54,000	\$ 54,000																							
(2) <u>Consumables for start-up</u>	<u>5,400</u>																								
<u>Total Capital Budget</u>																									
<u>Total, Capital Budget</u>	<u>\$ 59,500</u>	<u>\$ 54,000</u>																							

Rider Revisions and Additions Request

Current Rider Number	Page Number in 2004-05 GAA	Proposed Rider Language
702	VIII	<p>Appropriation of Examination Fees. <u>Five dollars received by the commission for each examination fee paid by applicants to the commission's examination testing service is hereby appropriated to the commission for the purpose of funding the costs associated with the commission's communication initiative (The Advisor).</u></p> <p><i>This rider is needed for the Texas Real Estate Commission (TREC) to provide the agency newsletter (The Advisor) to the licensees and public free of charge. Currently a subscription fee is charged for The Advisor and the receipts are reappropriated. This funding would replace the current method and not increase the baseline funding for the commission. An exceptional item request is not being submitted because the baseline would remain the same.</i></p>
703	VIII	<p>Contingency Rider. <u>The commission is hereby appropriated an amount not to exceed \$145,000 in fiscal year 2007 for relocation of the Austin headquarters. This appropriation is contingent upon the commission not renewing its current lease and entering into a new lease that would require relocation of the agency headquarters or a change to the conditions of the current lease. Any reductions in the commission's current lease costs would be appropriated for the payment of services or expenses included in the commission's current lease. If the commission does not relocate in fiscal year 2006 there would be no additional funds appropriated other than those necessary to cover current services and expenses included in the current lease (utilities, janitorial, exterminating, alarm monitoring, electronic key-card access system and related expenses) in the event the new lease does not include current services and expenses.</u></p> <p><i>This rider is needed for the Texas Real Estate Commission to ensure that sufficient funding is available for the relocation of the Austin headquarters and/or the payment of services or expenses associated with leasing a building. An exceptional item request is being submitted for this funding.</i></p>

Rider Revisions and Additions Request

Current Rider Number	Page Number in 2004-05 GAA	Proposed Rider Language
704	VIII	<p><u>Reimbursement of Advisory Committees.</u> Pursuant to V.T.C.A., Government Code § 21.10.004 and out of funds appropriated above, reimbursement of expenses for advisory committee members is limited to the broker members of the Real Estate Broker-Lawyer Advisory Committee and inspector members of the Real Estate Inspector Committee.</p> <p><i>This rider is necessary for the Texas Real Estate Commission (TREC) to ensure the continuation of essential services provided by members of these committees. This rider was present in the fiscal year 2002-2003 appropriations bill but was removed from the current appropriations bill. There are no additional funds being requested for this rider. This issue is addressed in the Texas Real Estate Commission's Strategic Plan 2005-2009 in the Long Term Strategic Plan Suggestions, Section 5. Consumer Protection, Page 24</i></p> <p><i>The Real Estate Broker-Lawyer Committee</i> (committee) consists of six attorneys appointed by the president of the State Bar of Texas and six persons appointed by the Texas Real Estate Commission (TREC). The committee prepares earnest money contracts and addenda for possible promulgation by TREC. Section 1101.155, Texas Occupations Code, generally requires Texas real estate licensees to use the forms prepared by the committee and promulgated by TREC.</p> <p><i>The rider allowing reimbursement of expenses for this committee should be reinstated to discourage the unauthorized practice of law by real estate licensees and to reduce controversies in real estate transactions by providing fair and comprehensive contract forms for use by licensees. Standardization of these forms on a state-wide basis has done much to eliminate confusion and inconsistency in the buying and selling of real estate. As a governmental entity, TREC serves the public, and the forms it develops are intended to balance the interests of consumers, real estate licensees and service providers such as surveyors, lenders and title insurance companies. The committee structure ensures that extensive experience and considerable expertise are available to the Commission and ensures a continuity of service to the public.</i></p> <p><i>The Texas Real Estate Inspector Committee</i>, nine professional inspectors appointed by the Commission, is charged by statute to recommend to the Commission rules governing inspectors. The Real Estate Inspector Committee is the Commission's primary resource for inspector expertise. The committee must review and revise the inspection standards of practice on an on-going basis. Recent revisions developed by the committee have focused on specifying the conditions which an inspector should report as in need of repair when inspecting a home and clarifying the minimum content required of an inspection report.</p> <p><i>The rider allowing reimbursement of expenses for this committee should be reinstated to ensure that consumers receive accurate and comprehensive inspection reports in connection with real estate transactions and that the rules of the Commission set appropriate standards for the licensing and regulation of inspectors. The committee structure ensures that extensive experience and considerable expertise are available to the Commission and ensures a continuity of service to the public.</i></p>

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**
 TIME: **2:48:54PM**

Agency code: **329**

Agency name: **Real Estate Commission**

CODE	DESCRIPTION	Excp 2006	Excp 2007
Item Name: Restoration of appropriation baseline for the Texas Real Estate Commission that was reduced by 5% per directive of the Governor's Office of Budget and Planning and the Legislative Budget Board.			
Item Priority: 1			
Includes Funding for the Following Strategy or Strategies:			
	01-01-01 Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses		
	02-01-01 Investigate Complaints and Resolve Valid Complaint Case		
	03-01-01 Prepare and Distribute Information Describing TREC Functions		
	05-01-01 Indirect Administration		
 OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	103,656	103,656
1002	OTHER PERSONNEL COSTS	0	0
2001	PROFESSIONAL FEES AND SERVICES	8,000	8,000
2003	CONSUMABLE SUPPLIES	2,000	2,000
2005	TRAVEL	10,000	10,000
2009	OTHER OPERATING EXPENSE	74,106	74,106
TOTAL, OBJECT OF EXPENSE		\$197,762	\$197,762
 METHOD OF FINANCING:			
1	GENERAL REVENUE FUND	197,762	197,762
TOTAL, METHOD OF FINANCING		\$197,762	\$197,762
FULL-TIME EQUIVALENT POSITIONS (FTE):		4.00	4.00

DESCRIPTION / JUSTIFICATION:

The appropriation baseline for the Texas Real Estate Commission was reduced by 5% per directive of the Governor's Office of Budget and Planning and the Legislative Budget Board. A 95% level of funding would mandate the commission to reduce personnel and services. The reduction of \$197,762 would cause a severe impact on service levels the commission provides to the public and licensees. Additionally, performance measures would be negatively affected. A 95% level of funding would require the commission to reduce personnel in the Communications department, the Enforcement division and the Licensing department. A total of four (4) full time equivalent positions would be eliminated. Elimination of five (5) toll free lines would result in the public and licensees being required to pay for long distance calls to the commission. Deferring replacement of obsolete personal computers would be required. The result of eliminating two (2) positions and the five (5) toll free lines in the Communications department would result in fewer customers being able to communicate with the commission. The elimination of one (1) investigator in the Enforcement division would result in longer times for complaints to be resolved and fewer complaints being resolved. The loss of one (1) employee in the Licensing department would cause delays in processing original and renewal applications.

EXTERNAL/INTERNAL FACTORS:

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
79th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**
TIME: **2:48:54PM**

Agency code: **329**

Agency name: **Real Estate Commission**

CODE	DESCRIPTION	Excp 2006	Excp 2007
	Funding reductions mandated in fiscal year 2003 caused the commission to reduce a total of twelve (12) full-time equivalent employee positions and resulted in additional duties and responsibilities for all remaining staff. The commission believes the current level of funding, without an additional five (5) percent reduction, is providing a marginal level of service to its customers. Additional appropriations cuts would result in another reduction in force of four (4) full-time equivalent employees, the elimination of five (5) toll free lines, and various reductions detailed above. Commission revenues exceed all commission expenditures (direct and indirect) by over one million dollars a year. The commission is 100% self-supporting, therefore TREC is requesting a level of funding that would permit the commission to provide a level of service that the licensees are paying for and that the public and licensees deserve.		

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**
 TIME: **2:48:54PM**

Agency code: **329**

Agency name: **Real Estate Commission**

CODE	DESCRIPTION	Excp 2006	Excp 2007
	Item Name: Salary adjustments to retain experienced staff		
	Item Priority: 2		
	Includes Funding for the Following Strategy or Strategies:		
	01-01-01 Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses		
	02-01-01 Investigate Complaints and Resolve Valid Complaint Case		
	03-01-01 Prepare and Distribute Information Describing TREC Functions		
	05-01-01 Indirect Administration		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	85,000	85,000
	TOTAL, OBJECT OF EXPENSE	85,000	85,000
METHOD OF FINANCING:			
1	GENERAL REVENUE FUND	85,000	85,000
	TOTAL, METHOD OF FINANCING	85,000	85,000

DESCRIPTION / JUSTIFICATION:

Human resources issues are the #1 priority for TREC. In order to implement strategic plan initiatives, TREC must retain experienced staff and have the ability to attract and hire new employees with the requisite professional skills. The challenge is three-fold: (i) TREC must self-fund all salary raises; (ii) TREC salaries are defacto "capped" due to the restriction on the Administrator's salary level; and (iii) the Commission is in danger of losing the experience and continuity gained by current leadership. (Agency Strategic Plan for the 2005-2009 Period for the Texas Real Estate Commission, Long Term Strategic Plan Suggestions, Item 1. Human Resources, Page 22).

It is not possible to cut any further positions at the Commission without compromising our excellent customer service. It is therefore critical that TREC receive an additional appropriation authority to cover its human resources needs for both exempt and non-exempt staff. Since TREC is a self-funded agency, any additional appropriation authority would be covered by agency-generated revenue. The legislature will be asked to grant approval to raise the Administrator's salary to a level that is commensurate with other similar-sized state agencies not only to retain existing leadership skills and abilities, but also to reduce the likelihood of turnover in TREC management and other staff positions. The Administrator assumed the duties of Commissioner (executive director) for the Texas Appraiser Licensing and Certification Board in December 2003. This additional responsibility is another element to consider in increasing the salary of the Administrator.

Details pertaining to TREC's human resources issues are delineated in the Workforce Plan (Agency Strategic Plan for the 2005-2009 Period for the Texas Real Estate Commission, Appendix E, Page 50).

EXTERNAL/INTERNAL FACTORS:

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
79th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**
TIME: **2:48:54PM**

Agency code: **329**

Agency name: **Real Estate Commission**

CODE	DESCRIPTION	Excp 2006	Excp 2007
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For the past four fiscal years, TREC has used every creative measure within its purview to recruit and retain excellent staff. The strategies it has deployed successfully toward this end include eliminating positions and re-directing salary dollars into key staff positions in the form of promotions, merit salary increases, bonuses, and counter-offers. In spite of these proactive measures, during FY03 TREC experienced a 24.6% turnover in staff. Further, the results of TREC's Survey of Organizational Excellence document the fact that this high turnover is directly related to the issue of "fair pay" rather than to unhappy or dissatisfied employees (Agency Strategic Plan for the 2005-2009 Period for the Texas Real Estate Commission, Appendix F, Page 60).

As stated above, human resources issues are the #1 priority for TREC. The only solution to the problem of experienced TREC employees relocating to other state agencies for more money is for TREC to have a comparable salary structure. The appropriations authority requested above will help achieve retention of experienced staff and the agency's mission.

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**
 TIME: **2:48:54PM**

Agency code: **329**

Agency name: **Real Estate Commission**

CODE	DESCRIPTION	Excp 2006	Excp 2007
	Item Name: Upgrade UNISYS software and hardware to remain in compliance with maintenance agreement.		
	Item Priority: 3		
	Includes Funding for the Following Strategy or Strategies: 05-01-01 Indirect Administration		
OBJECTS OF EXPENSE:			
2003	CONSUMABLE SUPPLIES	5,400	0
5000	CAPITAL EXPENDITURES	54,000	54,000
	TOTAL, OBJECT OF EXPENSE	\$59,400	\$54,000
METHOD OF FINANCING:			
1	GENERAL REVENUE FUND	59,400	54,000
	TOTAL, METHOD OF FINANCING	\$59,400	\$54,000

DESCRIPTION / JUSTIFICATION:

This exceptional item is needed by the Texas Real Estate Commission (TREC) to upgrade UNISYS software and hardware to remain in compliance with the maintenance agreement. TREC's enterprise server is the central item of the information technology infrastructure. This project represents a replacement of a five-year old CPU and operating system with one that will be supported and under maintenance with the vendor. This rider was removed from TREC's appropriation pattern for the 2002-2003 biennium due to monies being appropriated in fiscal year 2001 for the outright purchase of an enterprise server (TREC did not request the monies for the outright purchase. TREC requested monies for the continuation of annual lease purchase payments). Prior to fiscal year 2001 monies were appropriated annually for lease purchase payments for TREC's information resource technologies (enterprise server, disk, printers, and system software). Funding for this exceptional item would be a return to fiscal year 2000 type funding. A capital budget rider has been requested for this exceptional item.

Details pertaining to TREC's upgrade issues are delineated in the Agency Strategic Plan for the 2005-2009 Period for the Texas Real Estate Commission, Long Term Strategic Plan Suggestions, Section 7. Technology, Page 26).

EXTERNAL/INTERNAL FACTORS:

As stated above, TREC's enterprise server is the central item of the information technology infrastructure. This project represents a replacement of a five-year old CPU and operating system with one that will be supported and under maintenance with the vendor.

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**
 TIME: **2:48:54PM**

Agency code: **329**

Agency name: **Real Estate Commission**

CODE	DESCRIPTION	Excp 2006	Excp 2007
	Item Name: Education Record Keeping Upgrade		
	Item Priority: 4		
Includes Funding for the Following Strategy or Strategies:			
	01-01-01 Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses		
	05-01-01 Indirect Administration		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	80,000	80,000
2004	UTILITIES	900	0
2009	OTHER OPERATING EXPENSE	13,468	0
TOTAL, OBJECT OF EXPENSE		\$94,368	\$80,000
METHOD OF FINANCING:			
1	GENERAL REVENUE FUND	94,368	80,000
TOTAL, METHOD OF FINANCING		\$94,368	\$80,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		2.00	2.00

DESCRIPTION / JUSTIFICATION:

Additional staff are needed in the Education department to:

- (1) handle the increased workload associated with transcript evaluations. The volume of transcript evaluations has soared in recent years. There were 20,396 transcript evaluations in fiscal year 2002, 22,461 in fiscal year 2003 and it is estimated there will be 26,732 transcript evaluations in fiscal year 2004 and 27,000 in fiscal year 2005. An additional employee is needed to handle the increase in transcript evaluation workload.
- (2) provide programming services associated with integrating the current education application into a cohesive system that ensures adaptability of future needs. TREC's education record keeping is not integrated into the overall Texas Real Estate Licensing Information System (TRELIS). An additional programmer is required to integrate education and licensing records.

This issue is addressed in the Texas Real Estate Commission's Strategic Plan 2005-2009 in (1) the Short Term Strategic Planning Suggestions, 1. Education, Page 21 and in (2) Long Term Strategic Plan Suggestions, Section 7. Technology, Page 25

EXTERNAL/INTERNAL FACTORS:

The increased workload associated with transcript evaluations is a result of more individuals desiring to enter the real estate profession. The dependence of TREC personnel on automation to handle increased demands and to provide a continuing level of excellent customer service dictates the need for an additional programmer position.

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**
 TIME: **2:48:48PM**

Agency code: **329**

Agency name: **Real Estate Commission**

CODE	DESCRIPTION	Excp 2006	Excp 2007
	Item Name: Contingency relocation expense for Austin Headquarters		
	Item Priority: 5		
	Includes Funding for the Following Strategy or Strategies: 05-01-01 Indirect Administration		
OBJECTS OF EXPENSE:			
2004	UTILITIES	0	57,468
2009	OTHER OPERATING EXPENSE	0	87,532
TOTAL, OBJECT OF EXPENSE		\$0	\$145,000

METHOD OF FINANCING:

1	GENERAL REVENUE FUND	0	145,000
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DESCRIPTION / JUSTIFICATION:

The current 5 year lease of the Texas Real Estate Commission (TREC) expires August 31, 2006. The lease is for TREC Headquarters' operation located in Austin. The office space is necessary for the operation of TREC to continue to meet statutory obligations. The new lease specifications submitted to the General Services Commission in May 2000 incorporated compliance with the legislative mandate of 153 square feet per employee. The current mandate of 135 square feet per employee is a major consideration in the extension of TREC's current lease for an additional five years or the relocation of the TREC headquarters with a new lease. The current lease is all inclusive and has annual expenses of \$421,936 which include rent, utilities, janitorial services, and exterminating services, electronic key-card access system, and alarm monitoring services. Relocation/moving expenses are estimated to be \$145,000. The current cost per square foot is approximately \$18.49 (all inclusive) and the estimated cost per square foot for the new lease is expected to be lower either at the current office location or at a new location. A contingency rider has been requested for moving expenses in the event TREC must relocate. Additionally, TREC must maintain funding for services and expenses associated with the current lease (utilities, janitorial services, and exterminating services, electronic key-card access system, and alarm monitoring services) in the event the new lease is for rent only. The reduction from 153 square feet per employee to 135 square per employee will be a determining factor in the relocation decision. TREC is requesting a contingency rider to address the relocation and related expenses in the event there is a lease change. (Agency Strategic Plan for the 2005-2009 Period for the Texas Real Estate Commission, Page 22)

EXTERNAL/INTERNAL FACTORS:

The current market value of leased office space (including rent, utilities, janitorial services, and exterminating services) is below the current lease rate TREC is paying. There is the possibility that TREC will have to relocate its Austin Headquarters to another location to comply with the legislatively mandated 135 square feet per employee. This exceptional item request is based on the relocation of the TREC headquarters and the related relocation expenses. TREC would need to retain current funding to pay for current services and expenses associated with the current lease in the event the new lease was not all inclusive.

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**
 TIME: **2:50:30PM**

Agency code: **329** Agency name: **Real Estate Commission**

	Excp 2006	Excp 2007
Item Name:	Restoration of appropriation baseline for the Texas Real Estate Commission that was reduced by 5% per directive of the Governor's O	
Allocation to Strategy:	1-1-1 Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses	
OUTPUT MEASURES:		
<u>2</u> Number of New Licenses Issued to Individuals	3,000.00	3,000.00
<u>3</u> Number of Licenses Renewed (Individuals)	15,500.00	15,500.00
EFFICIENCY MEASURES:		
<u>2</u> Average Time for Individual License Issuance (Days)	37.00	37.00
<u>3</u> Average Time for Individual License Renewal	3.50	3.50
<u>4</u> Percentage New Indiv Licences within 10 Days	95.00%	95.00%
<u>5</u> % Indiv License Renewals within 7 Days	97.00%	97.00%
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	22,476	22,476
1002 OTHER PERSONNEL COSTS	0	0
2003 CONSUMABLE SUPPLIES	368	368
2009 OTHER OPERATING EXPENSE	37,579	36,814
TOTAL, OBJECT OF EXPENSE	\$60,423	\$59,658
METHOD OF FINANCING:		
1 GENERAL REVENUE FUND	60,423	59,658
TOTAL, METHOD OF FINANCING	\$60,423	\$59,658
FULL-TIME EQUIVALENT POSITIONS (FTE):	1.0	1.0

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**
 TIME: **2:50:30PM**

Agency code: **329** Agency name: **Real Estate Commission**

	Excp 2006	Excp 2007
Item Name:	Restoration of appropriation baseline for the Texas Real Estate Commission that was reduced by 5% per directive of the Governor's O	
Allocation to Strategy:	2-1-1 Investigate Complaints and Resolve Valid Complaint Case	
STRATEGY IMPACT ON OUTCOME MEASURES:		
<u>2</u> Percent of Documented Complaints Resolved within 6 Months	70.00%	70.00%
OUTPUT MEASURES:		
<u>1</u> Number of Complaints Resolved	270.00	270.00
<u>2</u> Number of Orders Issued by Hearings Officer	20.00	20.00
EFFICIENCY MEASURES:		
<u>1</u> Average Time for Complaint Resolution (Days)	110.00	110.00
<u>2</u> Average Cost Per Complaint Resolved	300.00	300.00
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	32,467	32,467
1002 OTHER PERSONNEL COSTS	0	0
2001 PROFESSIONAL FEES AND SERVICES	8,000	8,000
2003 CONSUMABLE SUPPLIES	286	286
2005 TRAVEL	5,000	5,000
2009 OTHER OPERATING EXPENSE	5,558	5,098
TOTAL, OBJECT OF EXPENSE	\$51,311	\$50,851
METHOD OF FINANCING:		
1 GENERAL REVENUE FUND	51,311	50,851
TOTAL, METHOD OF FINANCING	\$51,311	\$50,851
FULL-TIME EQUIVALENT POSITIONS (FTE):	1.0	1.0

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**
 TIME: **2:50:30PM**

Agency code: **329** Agency name: **Real Estate Commission**

	Excp 2006	Excp 2007
Item Name:	Restoration of appropriation baseline for the Texas Real Estate Commission that was reduced by 5% per directive of the Governor's O	
Allocation to Strategy:	3-1-1 Prepare and Distribute Information Describing TREC Functions	
OUTPUT MEASURES:		
<u>1</u> Number of Calls Received	50,000.00	50,000.00
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	48,713	48,713
1002 OTHER PERSONNEL COSTS	0	0
2001 PROFESSIONAL FEES AND SERVICES	0	0
2003 CONSUMABLE SUPPLIES	80	80
2005 TRAVEL	0	0
2009 OTHER OPERATING EXPENSE	20,712	24,426
TOTAL, OBJECT OF EXPENSE	\$69,505	\$73,219
METHOD OF FINANCING:		
1 GENERAL REVENUE FUND	69,505	73,219
TOTAL, METHOD OF FINANCING	\$69,505	\$73,219
FULL-TIME EQUIVALENT POSITIONS (FTE):	2.0	2.0

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

79th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**

TIME: **2:50:30PM**

Agency code: **329**

Agency name: **Real Estate Commission**

		Excp 2006	Excp 2007
Item Name:	Restoration of appropriation baseline for the Texas Real Estate Commission that was reduced by 5% per directive of the Governor's O		
Allocation to Strategy:	5-1-1 Indirect Administration		
OBJECTS OF EXPENSE:			
2003	CONSUMABLE SUPPLIES	1,266	1,266
2005	TRAVEL	5,000	5,000
2009	OTHER OPERATING EXPENSE	10,257	7,768
TOTAL, OBJECT OF EXPENSE		\$16,523	\$14,034
METHOD OF FINANCING:			
1	GENERAL REVENUE FUND	16,523	14,034
TOTAL, METHOD OF FINANCING		\$16,523	\$14,034

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

79th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**

TIME: **2:50:30PM**

Agency code: **329**

Agency name: **Real Estate Commission**

	Excp 2006	Excp 2007
Item Name:	Salary adjustments to retain experienced staff	
Allocation to Strategy:	1-1-1 Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses	
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	16,063	16,063
TOTAL, OBJECT OF EXPENSE	\$16,063	\$16,063
METHOD OF FINANCING:		
1 GENERAL REVENUE FUND	16,063	16,063
TOTAL, METHOD OF FINANCING	\$16,063	\$16,063

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

79th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**

TIME: **2:50:30PM**

Agency code: **329**

Agency name: **Real Estate Commission**

	Excp 2006	Excp 2007
Item Name: Salary adjustments to retain experienced staff		
Allocation to Strategy: 2-1-1 Investigate Complaints and Resolve Valid Complaint Case		
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	30,772	30,772
TOTAL, OBJECT OF EXPENSE	\$30,772	\$30,772
METHOD OF FINANCING:		
1 GENERAL REVENUE FUND	30,772	30,772
TOTAL, METHOD OF FINANCING	\$30,772	\$30,772

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

79th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**

TIME: **2:50:30PM**

Agency code: **329**

Agency name: **Real Estate Commission**

		Excp 2006	Excp 2007
Item Name:	Salary adjustments to retain experienced staff		
Allocation to Strategy:	3-1-1	Prepare and Distribute Information Describing TREC Functions	
OBJECTS OF EXPENSE:			
	1001 SALARIES AND WAGES	13,962	13,962
TOTAL, OBJECT OF EXPENSE		\$13,962	\$13,962
METHOD OF FINANCING:			
	1 GENERAL REVENUE FUND	13,962	13,962
TOTAL, METHOD OF FINANCING		\$13,962	\$13,962

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

79th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**

TIME: **2:50:30PM**

Agency code: **329**

Agency name: **Real Estate Commission**

		Excp 2006	Excp 2007
Item Name:	Salary adjustments to retain experienced staff		
Allocation to Strategy:	5-1-1 Indirect Administration		
OBJECTS OF EXPENSE:			
1001 SALARIES AND WAGES		24,203	24,203
TOTAL, OBJECT OF EXPENSE		\$24,203	\$24,203
METHOD OF FINANCING:			
1 GENERAL REVENUE FUND		24,203	24,203
TOTAL, METHOD OF FINANCING		\$24,203	\$24,203

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

79th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**

TIME: **2:50:30PM**

Agency code: **329**

Agency name: **Real Estate Commission**

		Excp 2006	Excp 2007
Item Name:		Upgrade UNISYS software and hardware to remain in compliance with maintenance agreement.	
Allocation to Strategy:		5-1-1	Indirect Administration
OBJECTS OF EXPENSE:			
2003	CONSUMABLE SUPPLIES	5,400	0
5000	CAPITAL EXPENDITURES	54,000	54,000
TOTAL, OBJECT OF EXPENSE		\$59,400	\$54,000
METHOD OF FINANCING:			
1	GENERAL REVENUE FUND	59,400	54,000
TOTAL, METHOD OF FINANCING		\$59,400	\$54,000

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

79th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**

TIME: **2:50:30PM**

Agency code: **329**

Agency name: **Real Estate Commission**

		Excp 2006	Excp 2007
Item Name:	Education Record Keeping Upgrade		
Allocation to Strategy:	1-1-1	Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses	
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	80,000	53,000
2004	UTILITIES	900	0
2009	OTHER OPERATING EXPENSE	13,468	0
TOTAL, OBJECT OF EXPENSE		\$94,368	\$53,000
METHOD OF FINANCING:			
1	GENERAL REVENUE FUND	94,368	53,000
TOTAL, METHOD OF FINANCING		\$94,368	\$53,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		2.0	1.5

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

79th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**

TIME: **2:50:30PM**

Agency code: **329**

Agency name: **Real Estate Commission**

		Excp 2006	Excp 2007
Item Name:	Education Record Keeping Upgrade		
Allocation to Strategy:	5-1-1 Indirect Administration		
OBJECTS OF EXPENSE:			
1001 SALARIES AND WAGES		0	27,000
TOTAL, OBJECT OF EXPENSE		\$0	\$27,000
METHOD OF FINANCING:			
1 GENERAL REVENUE FUND		0	27,000
TOTAL, METHOD OF FINANCING		\$0	\$27,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.5

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

79th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**

TIME: **2:50:27PM**

Agency code: **329**

Agency name: **Real Estate Commission**

		Excp 2006	Excp 2007
Item Name:	Contingency relocation expense for Austin Headquarters		
Allocation to Strategy:	5-1-1	Indirect Administration	
OBJECTS OF EXPENSE:			
2004	UTILITIES	0	57,468
2009	OTHER OPERATING EXPENSE	0	87,532
TOTAL, OBJECT OF EXPENSE		\$0	\$145,000
METHOD OF FINANCING:			
1	GENERAL REVENUE FUND	0	145,000
TOTAL, METHOD OF FINANCING		\$0	\$145,000

4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
TIME: 2:51:49PM

Agency Code: **329** Agency name: **Real Estate Commission**

GOAL: 1 Determine That TREC Applicants Meet Legal Requirements for Licensure Statewide Goal/Benchmark: 8 - 0
 OBJECTIVE: 1 Evaluate Applicants for Honesty/Integrity/Trustworthiness/Competency Service Categories:
 STRATEGY: 1 Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses Service: 16 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2006	Excp 2007
-------------------------	------------------	------------------

OUTPUT MEASURES:

<u>2</u> Number of New Licenses Issued to Individuals	3,000.00	3,000.00
<u>3</u> Number of Licenses Renewed (Individuals)	15,500.00	15,500.00

EFFICIENCY MEASURES:

<u>2</u> Average Time for Individual License Issuance (Days)	37.00	37.00
<u>3</u> Average Time for Individual License Renewal	3.50	3.50
<u>4</u> Percentage New Indiv Licences within 10 Days	95.00 %	95.00 %
<u>5</u> % Indiv License Renewals within 7 Days	97.00 %	97.00 %

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	118,539	91,539
2003 CONSUMABLE SUPPLIES	368	368
2004 UTILITIES	900	0
2009 OTHER OPERATING EXPENSE	51,047	36,814
Total, Objects of Expense	\$170,854	\$128,721

METHOD OF FINANCING:

1 GENERAL REVENUE FUND	170,854	128,721
Total, Method of Finance	\$170,854	\$128,721

FULL-TIME EQUIVALENT POSITIONS (FTE):

3.0	2.5
-----	-----

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restoration of appropriation baseline for the Texas Real Estate Commission that was reduced by 5% per directive of the Governor's Office of Budget and Planning and the Legislative Budget Board.

Salary adjustments to retain experienced staff

Education Record Keeping Upgrade

4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
TIME: 2:51:49PM

Agency Code: **329** Agency name: **Real Estate Commission**

GOAL: 2 Enforce the TREC Laws and Rules in a Fair and Evenhanded Manner Statewide Goal/Benchmark: 8 - 2
 OBJECTIVE: 1 Resolve Complaints and Hold Hearings Exeditiously Service Categories:
 STRATEGY: 1 Investigate Complaints and Resolve Valid Complaint Case Service: 16 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2006	Excp 2007
-------------------------	------------------	------------------

OUTPUT MEASURES:

<u>1</u> Number of Complaints Resolved	270.00	270.00
<u>2</u> Number of Orders Issued by Hearings Officer	20.00	20.00

EFFICIENCY MEASURES:

<u>1</u> Average Time for Complaint Resolution (Days)	110.00	110.00
---	--------	--------

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	63,239	63,239
2001 PROFESSIONAL FEES AND SERVICES	8,000	8,000
2003 CONSUMABLE SUPPLIES	286	286
2005 TRAVEL	5,000	5,000
2009 OTHER OPERATING EXPENSE	5,558	5,098
Total, Objects of Expense	\$82,083	\$81,623

METHOD OF FINANCING:

1 GENERAL REVENUE FUND	82,083	81,623
Total, Method of Finance	\$82,083	\$81,623

FULL-TIME EQUIVALENT POSITIONS (FTE):

1.0	1.0
-----	-----

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restoration of appropriation baseline for the Texas Real Estate Commission that was reduced by 5% per directive of the Governor's Office of Budget and Planning and the Legislative Budget Board.

Salary adjustments to retain experienced staff

4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
TIME: 2:51:49PM

Agency Code: **329** Agency name: **Real Estate Commission**

GOAL: 3 To Communicate Effectively with the Public and Licensees Statewide Goal/Benchmark: 8 - 0
 OBJECTIVE: 1 Notify 100% of Licensees of Law/Rule Chnges w/i 60 Days; Custmr Survey Service Categories:
 STRATEGY: 1 Prepare and Distribute Information Describing TREC Functions Service: 16 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2006	Excp 2007
OUTPUT MEASURES:		
1 Number of Calls Received	50,000.00	50,000.00
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	62,675	62,675
2003 CONSUMABLE SUPPLIES	80	80
2009 OTHER OPERATING EXPENSE	20,712	24,426
Total, Objects of Expense	\$83,467	\$87,181
METHOD OF FINANCING:		
1 GENERAL REVENUE FUND	83,467	87,181
Total, Method of Finance	\$83,467	\$87,181
FULL-TIME EQUIVALENT POSITIONS (FTE):	2.0	2.0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restoration of appropriation baseline for the Texas Real Estate Commission that was reduced by 5% per directive of the Governor's Office of Budget and Planning and the Legislative Budget Board.

Salary adjustments to retain experienced staff

4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
TIME: 2:51:46PM

Agency Code: **329** Agency name: **Real Estate Commission**

GOAL:	5 Indirect Administration	Statewide Goal/Benchmark:	8 - 0
OBJECTIVE:	1 Indirect Administration	Service Categories:	
STRATEGY:	1 Indirect Administration	Service: 09	Income: A.2
			Age: B.3

CODE DESCRIPTION	Excp 2006	Excp 2007
-------------------------	------------------	------------------

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	24,203	51,203
2003 CONSUMABLE SUPPLIES	6,666	1,266
2004 UTILITIES	0	57,468
2005 TRAVEL	5,000	5,000
2009 OTHER OPERATING EXPENSE	10,257	95,300
5000 CAPITAL EXPENDITURES	54,000	54,000
Total, Objects of Expense	\$100,126	\$264,237

METHOD OF FINANCING:

1 GENERAL REVENUE FUND	100,126	264,237
Total, Method of Finance	\$100,126	\$264,237

FULL-TIME EQUIVALENT POSITIONS (FTE):

0.0	0.5
-----	-----

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restoration of appropriation baseline for the Texas Real Estate Commission that was reduced by 5% per directive of the Governor's Office of Budget and Planning and the Legislative Budget Board.

Salary adjustments to retain experienced staff

Upgrade UNISYS software and hardware to remain in compliance with maintenance agreement.

Education Record Keeping Upgrade

Contingency relocation expense for Austin Headquarters

CAPITAL BUDGET PROJECT SCHEDULE - EXCEPTIONAL
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
 TIME : 2:57:53PM
 PAGE: 55

Agency code: 329 Agency name: Real Estate Commission

Category Code / Category Name

Project Number / Name

OOE / TOF / MOF CODE

Excp 2006

Excp 2007

5005 Acquisition of Information Resource Technologies

1 Enterprise Server Acquisition

Objects of Expense

2003 CONSUMABLE SUPPLIES

5,400

0

5000 CAPITAL EXPENDITURES

54,000

54,000

Subtotal OOE, Project 1

59,400

54,000

Type of Financing

CA 1 GENERAL REVENUE FUND

5,400

0

Subtotal TOF, Project 1

5,400

0

Type of Financing

ML 1 GENERAL REVENUE FUND

54,000

54,000

Subtotal TOF, Project 1

54,000

54,000

Subtotal Category 5005

59,400

54,000

AGENCY TOTAL

59,400

54,000

METHOD OF FINANCING:

1 GENERAL REVENUE FUND

59,400

54,000

Total, Method of Financing

59,400

54,000

TYPE OF FINANCING:

CA CURRENT APPROPRIATIONS

5,400

0

ML MASTER LEASE PURCHASE PRG

54,000

54,000

Total, Type of Financing

59,400

54,000

5.B. CAPITAL BUDGET PROJECT INFORMATION
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/13/2004
 TIME: 10:00:22AM

Agency Code:	329	Agency name:	Real Estate Commission
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	1	Project Name:	Enterprise Server Acquisition

PROJECT DESCRIPTION

General Information

This exceptional item is needed by the Texas Real Estate Commission (TREC) to upgrade UNISYS software and hardware to remain in compliance with the maintenance agreement. TREC's enterprise server is the central item of the information technology infrastructure. This project represents a replacement of a five-year old CPU and operating system with one that will be supported and under maintenance with the vendor. This rider was removed from TREC's appropriation pattern for the 2002-2003 biennium due to monies being appropriated in fiscal year 2001 for the outright purchase of an enterprise server (TREC did not request the monies for the outright purchase. TREC requested monies for the continuation of annual lease purchase payments). Prior to fiscal year 2001 monies were appropriated annually for lease purchase payments for TREC's information resource technologies (enterprise server, disk, printers, and system software). Funding for this exceptional item would be a return to fiscal year 2000 type funding. A capital budget rider has been requested for this exceptional item.

Details pertaining to TREC's upgrade issues are delineated in the Agency Strategic Plan for the 2005-2009 Period for the Texas Real Estate Commission, Long Term Strategic Plan Suggestions, Section 7. Technology, Page 26.

Number of Units / Average Unit Cost

Estimated Completion Date	August 31, 2010		
Additional Capital Expenditure Amounts Required		2008	2009
		54,000	54,000
Type of Financing	ML	MASTER LEASE PURCHASE PRG	
Projected Useful Life	Five Years		
Estimated/Actual Project Cost	\$ 275,400		
Length of Financing/ Lease Period	Five Years		

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

	2006	2007	2008	2009	Total over project life
	54,000	54,000	54,000	54,000	275,400

REVENUE GENERATION / COST SAVINGS

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>
C	1	70,302.00

Explanation: Renewal of maintenance, support and license fees for the current enterprise server are expected to increase by an average of \$43,302 per year with an included increase of 7% per year. Anticipated downtime due to obsolescence of hardware and software with the current enterprise server is projected to increase 1% with an associated cost of \$27,000 per year. Projected total savings with the acquisition of a new enterprise server would be \$70,302 per year.

Project Location: Austin

Beneficiaries: Customers (Public and Licensees)

5.B. CAPITAL BUDGET PROJECT INFORMATION
79th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/13/2004**
TIME: **10:00:22AM**

Frequency of Use and External Factors Affecting Use:

As stated above, TREC's enterprise server is the central item of the information technology infrastructure. This project represents a replacement of a five-year old CPU and operating system with one that will be supported and under maintenance with the vendor.

CAPITAL BUDGET ALLOCATION TO STRATEGIES BY PROJECT - EXCEPTIONAL
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**
 TIME: **3:03:51PM**
 PAGE: **58**

Agency code: **329**

Agency name: **Real Estate Commission**

Category Code/Name

Project Number/Name

Goal/Obj/Str	Strategy Name	Excp 2006	Excp 2007
5005 Acquisition of Information Resource Technologies			
1	Enterprise Server Acquisition		
5 1 1	INDIRECT ADMINISTRATION	5,400	0
5 1 1	INDIRECT ADMINISTRATION	54,000	54,000
	TOTAL, PROJECT	59,400	54,000
	TOTAL, ALL PROJECTS	59,400	54,000

6.A. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE

79th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/12/2004
Time: 3:08:55PM

Agency Code: 329 Agency: Real Estate Commission

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2002 - 2003 HUB Expenditure Information

Procurement Category	Statewide Adjusted HUB Goals	Adjusted HUB Expenditures FY 2002		Total Expenditures FY 2002	Adjusted HUB Expenditures FY 2003		Total Expenditures FY 2003
		HUB %	HUB \$		HUB %	HUB \$	
Special Trade Construction	47.0%	0.0%	\$0	\$5,187	0.0%	\$0	\$0
Other Services	33.0%	29.3%	\$56,780	\$194,017	27.1%	\$39,713	\$146,491
Commodities	11.5%	25.2%	\$26,387	\$104,721	18.7%	\$17,610	\$94,394
Total Expenditures		27.4%	\$83,167	\$303,925	23.8%	\$57,323	\$240,885

B. Assessment of Fiscal Year 2002 - 2003 Efforts to Meet HUB Procurement Goals

Attainment:

The agency attained or exceeded one of three, or 33%, of the applicable statewide HUB procurement goals in FY 2002.
The agency attained or exceeded one of two, or 50%, of the applicable statewide HUB procurement goals in FY 2003.

Applicability:

The "Heavy Construction" and "Building Construction" categories are not applicable to agency operations in either fiscal year 2002 or fiscal year 2003 since the agency did not have strategies or programs related to construction.
There were no expenditures in the "Professional Services" category.

Factors Affecting Attainment:

It should be noted that the total HUB expenditures (adjusted HUB and other HUB) for fiscal year 2002 were 41.14% and for fiscal year 2003 were 45.0%.
The "Special Trade Construction" expenditures for fiscal year 2002 were for one time purchases (ie: remodeling of leased office space using the lessor's vendor).
The "Other Services" category had a sole source (proprietary) expenditure to UNISYS for hardware and software maintenance of \$28,638.58 for FY 2002 and \$29,225.89 for FY 2003. The HUB goals for "Other Services" were exceeded if you remove the sole source payments to UNISYS.

"Good-Faith" Efforts:

The following is a list of the activities that the Commission has taken and will continue to take in order to meet TBPC's adjusted HUB goals:

- a) TREC has and will continue to actively seek certified HUB bidders for these services at the time the current contracts expire.
- b) TREC has and will continue to encourage qualified vendors to seek HUB certification from TBPC.
- c) TREC has and will continue to encourage non-HUB vendors to sub-contract with HUBs.
- d) TREC has and will continue to employ the Spot Purchases and Delegated Purchase strategies outlined in TREC Action Plan Aimed at increasing HUB Purchases.

6.B. Current Biennium One-time Expenditure Schedule

Agency Code: 329	Agency Name: Texas Real Estate Commission	Prepared By: Alan Waters, Karen Alexander		Date: 08/13/2004	
Item	FY2004		FY2005		
	Amount	MOF	Amount	MOF	
Article IX, Sec. 12.03, Retirement Incentives (2004-05 GAA)	\$7,839	0001			

6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

79th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/25/2004
TIME: 6:50:27AM

Agency Code: **329**

Agency name: **Real Estate Commission**

FUND/ACCOUNT	Act 2003	Exp 2004	Exp 2005	Bud 2006	Est 2007
1 GENERAL REVENUE FUND					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3103 Limited Sales & Use Tax-State	2,050	2,653	2,350	2,350	2,350
3105 Discounts for Sales Tax-State	13	19	15	15	15
3171 Prof-Fees-HB11, GR Increase	6,891,200	6,907,200	6,900,000	6,900,000	6,900,000
3175 Professional Fees	6,417,801	6,728,893	6,280,005	6,350,955	6,250,955
3752 Sale of Publications/Advertising	53,011	50,000	0	0	0
3775 Returned Check Fees	7,650	7,375	7,500	7,500	7,500
3777 Default Fund - Warrant Voided	250	518	0	0	0
3795 Other Misc Government Revenue	7,963	10,411	9,000	9,000	9,000
Subtotal: Actual/Estimated Revenue	13,379,938	13,707,069	13,198,870	13,269,820	13,169,820
Total Available	\$13,379,938	\$13,707,069	\$13,198,870	\$13,269,820	\$13,169,820
DEDUCTIONS:					
Expended/Budgeted/Requested	(3,876,244)	(3,937,373)	(3,973,095)	(3,955,234)	(3,955,234)
Reverse Auction	(779)	0	0	0	0
Transfer - Employee Benefits	(965,771)	(905,398)	(923,707)	(924,636)	(925,670)
Art IX, Sec 10.12 Salary 02-03	(110,933)	0	0	0	0
Art IX, Sec 10.12 Longevity 02-03	(30,860)	0	0	0	0
Total, Deductions	\$(4,984,587)	\$(4,842,771)	\$(4,896,802)	\$(4,879,870)	\$(4,880,904)
Ending Fund/Account Balance	\$8,395,351	\$8,864,298	\$8,302,068	\$8,389,950	\$8,288,916

REVENUE ASSUMPTIONS:

The deduction for Transfer - Employee Benefits is estimated at the 100% funding level for FY 2006 and FY 2007.

CONTACT PERSON:

Alan R. Waters/Karen Alexander

6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

79th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004

TIME: 3:09:54PM

Agency Code: **329**

Agency name: **Real Estate Commission**

FUND/ACCOUNT	Act 2003	Exp 2004	Exp 2005	Bud 2006	Est 2007
666 APPROPRIATED RECEIPTS					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3175 Professional Fees	4,025	5,500	5,500	5,500	5,500
3752 Sale of Publications/Advertising	184,940	180,000	180,000	180,000	180,000
Subtotal: Actual/Estimated Revenue	188,965	185,500	185,500	185,500	185,500
Total Available	\$188,965	\$185,500	\$185,500	\$185,500	\$185,500
DEDUCTIONS:					
Expended/Budgeted	(188,965)	(185,500)	(185,500)	(185,500)	(185,500)
Total, Deductions	\$(188,965)	\$(185,500)	\$(185,500)	\$(185,500)	\$(185,500)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Alan R. Waters/Karen Alexander

6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

79th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
TIME: 3:09:54PM

Agency Code: **329**

Agency name: **Real Estate Commission**

FUND/ACCOUNT	Act 2003	Exp 2004	Exp 2005	Bud 2006	Est 2007
969 REAL ESTATE TRUST ACCOUNT					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3175 Professional Fees	2,317,195	2,343,830	2,330,000	2,330,000	2,330,000
Subtotal: Actual/Estimated Revenue	2,317,195	2,343,830	2,330,000	2,330,000	2,330,000
Total Available	\$2,317,195	\$2,343,830	\$2,330,000	\$2,330,000	\$2,330,000
DEDUCTIONS:					
Operating Transfer Out	(2,317,195)	(2,343,830)	(2,330,000)	(2,330,000)	(2,330,000)
Total, Deductions	\$(2,317,195)	\$(2,343,830)	\$(2,330,000)	\$(2,330,000)	\$(2,330,000)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Alan R. Waters/Karen Alexander

6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

79th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
TIME: 3:09:54PM

Agency Code: **329**

Agency name: **Real Estate Commission**

FUND/ACCOUNT	Act 2003	Exp 2004	Exp 2005	Bud 2006	Est 2007
971 REAL ESTATE RECOVERY FUND					
Beginning Balance (Unencumbered):	\$168,592	\$284,727	\$357,663	\$314,163	\$270,663
Estimated Revenue:					
3175 Professional Fees	214,050	250,393	230,000	230,000	230,000
3714 Judgments	39,252	16,659	25,000	25,000	25,000
3802 Reimbursements-Third Party	9,336	2,050	5,000	5,000	5,000
3821 Sale of US Gov Obligations-Short	0	0	100,000	0	0
3822 Sale of US Gov Obligations-Long	400,000	400,000	300,000	400,000	500,000
3855 Interest on Invest/Obligtn/Security	104,487	93,753	100,000	100,000	100,000
Subtotal: Actual/Estimated Revenue	767,125	762,855	760,000	760,000	860,000
Total Available	\$935,717	\$1,047,582	\$1,117,663	\$1,074,163	\$1,130,663
DEDUCTIONS:					
Expended/Budgeted/Requested	(209)	(200)	(3,500)	(3,500)	(3,500)
Payments directed by court order	(228,925)	(289,719)	(400,000)	(400,000)	(400,000)
Purchase of US Gov't - Short Term	0	0	0	0	0
Purchase of US Gov't - Long Term	(421,856)	(400,000)	(400,000)	(400,000)	(500,000)
Total, Deductions	\$(650,990)	\$(689,919)	\$(803,500)	\$(803,500)	\$(903,500)
Ending Fund/Account Balance	\$284,727	\$357,663	\$314,163	\$270,663	\$227,163

REVENUE ASSUMPTIONS:

In recent years court ordered payments from the fund have varied from \$189,405 in fiscal year 2001 to \$561,111 in fiscal year 2002. The amount of court ordered payments has a direct affect on the fund balance at year end.

CONTACT PERSON:

Alan R. Waters/Karen Alexander

6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

79th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
TIME: 3:09:51PM

Agency Code: **329**

Agency name: **Real Estate Commission**

FUND/ACCOUNT	Act 2003	Exp 2004	Exp 2005	Bud 2006	Est 2007
988 REAL ESTATE INSPEC TRUST					
Beginning Balance (Unencumbered):	\$646,527	\$639,500	\$644,302	\$640,202	\$636,102
Estimated Revenue:					
3175 Professional Fees	36,100	66,887	50,000	50,000	50,000
3714 Judgments	4,578	16,000	10,000	10,000	10,000
3802 Reimbursements-Third Party	332	490	400	400	400
3851 Interest on St Deposits & Treas Inv	12,999	9,445	10,000	10,000	10,000
Subtotal: Actual/Estimated Revenue	54,009	92,822	70,400	70,400	70,400
Total Available	\$700,536	\$732,322	\$714,702	\$710,602	\$706,502
DEDUCTIONS:					
Expended/Budgeted/Requested	(9)	(200)	(500)	(500)	(500)
Payments directed by court order	(7,500)	(32,524)	(20,000)	(20,000)	(20,000)
Transfers to General Revenue	(53,527)	(55,296)	(54,000)	(54,000)	(54,000)
Total, Deductions	\$(61,036)	\$(88,020)	\$(74,500)	\$(74,500)	\$(74,500)
Ending Fund/Account Balance	\$639,500	\$644,302	\$640,202	\$636,102	\$632,002

REVENUE ASSUMPTIONS:

In recent years court ordered payments from the fund have varied from no payments in fiscal year 2001 to \$32,524 in fiscal year 2004. The amount of court ordered payments has a direct affect on the fund balance at year end.

By statute, any amounts in the fund exceeding \$600,000 as of December 31 of any year are transferred to the General Revenue Fund.

CONTACT PERSON:

Alan R. Waters/Karen Alexander

6.F.a. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/12/2004
 Time: 3:12:19PM

Agency Code: **329** Agency: **Real Estate Commission**

REAL ESTATE BROKER-LAWYER COMMITTEE

Statutory Authorization: Sec 1101.251-254, Tex Occupations Code
 Number of Members: 12
 Committee Status: Ongoing
 Date Created: 08/29/1983
 Date to Be Abolished: N/A
 Strategy (Strategies): 3-1-1 LICENSEE/CONSUMER EDUCATION

Advisory Committee Costs	Expended 2003	Estimated 2004	Budgeted 2005	Requested 2006	Requested 2007
Committee Members Direct Expenses					
Travel	\$1,667	\$0	\$0	\$2,500	\$2,500
Other Expenditures in Support of Committee Activities					
Personnel (0.10 FTEs)	5,391	5,756	5,756	5,756	5,756
Consumable Supplies	200	200	200	200	200
Total, Committee Expenditures	\$7,258	\$5,956	\$5,956	\$8,456	\$8,456
Method of Financing					
GENERAL REVENUE FUND	\$7,258	\$5,956	\$5,956	\$8,456	\$8,456
Total, Method of Financing	\$7,258	\$5,956	\$5,956	\$8,456	\$8,456
Meetings Per Fiscal Year	2	3	3	3	3

6.F.a. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A
79th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/12/2004
Time: 3:12:19PM

Agency Code: **329** Agency: **Real Estate Commission**

REAL ESTATE BROKER-LAWYER COMMITTEE

Description and Justification for Continuation/Consequences of Abolishing

The Real Estate Broker-Lawyer Committee (committee) consists of six attorneys appointed by the president of the State Bar of Texas and six persons appointed by the Texas Real Estate Commission (TREC). The committee prepares earnest money contracts and addenda for possible promulgation by TREC. Section 1101.155, Texas Occupations Code, generally requires Texas real estate licensees to use the forms prepared by the committee and promulgated by TREC.

The rider that was included in TREC's portion of the 2002-2003 General Appropriations Act (page VIII-71) allowing reimbursement of expenses for this committee should be reinstated to discourage the unauthorized practice of law by real estate licensees and to reduce controversies in real estate transactions by providing fair and comprehensive contract forms for use by licensees. Standardization of these forms on a state-wide basis has done much to eliminate confusion and inconsistency in the buying and selling of real estate. As a governmental entity, TREC serves the public, and the forms it develops are intended to balance the interests of consumers, real estate licensees and service providers such as surveyors, lenders and title insurance companies. The committee structure ensures that extensive experience and considerable expertise are available to the Commission and ensures a continuity of service to the public.

6.F.a. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/12/2004
 Time: 3:12:19PM

Agency Code: **329** Agency: **Real Estate Commission**

REAL ESTATE INSPECTOR COMMITTEE

Statutory Authorization: Sec 1102.051-062, Tex Occupations Code
 Number of Members: 9
 Committee Status: Ongoing
 Date Created: 09/01/1991
 Date to Be Abolished: N/A
 Strategy (Strategies): 3-1-1 LICENSEE/CONSUMER EDUCATION

Advisory Committee Costs	Expended 2003	Estimated 2004	Budgeted 2005	Requested 2006	Requested 2007
Committee Members Direct Expenses					
Travel	\$2,549	\$0	\$0	\$2,500	\$2,500
Other Expenditures in Support of Committee Activities					
Personnel (.15 FTEs)	7,319	7,684	7,684	7,684	7,684
Consumable Supplies	200	200	200	200	200
Total, Committee Expenditures	\$10,068	\$7,884	\$7,884	\$10,384	\$10,384
Method of Financing					
GENERAL REVENUE FUND	\$10,068	\$7,884	\$7,884	\$10,384	\$10,384
Total, Method of Financing	\$10,068	\$7,884	\$7,884	\$10,384	\$10,384
Meetings Per Fiscal Year	3	5	5	5	5

6.F.a. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A
79th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/12/2004
Time: 3:12:17PM

Agency Code: **329** Agency: **Real Estate Commission**

REAL ESTATE INSPECTOR COMMITTEE

Description and Justification for Continuation/Consequences of Abolishing

The Texas Real Estate Inspector Committee, nine professional inspectors appointed by the Commission, is charged by statute to recommend to the Commission rules governing inspectors. The Real Estate Inspector Committee is the Commission's primary resource for inspector expertise. The committee must review and revise the inspection standards of practice on an on-going basis. Recent revisions developed by the committee have focused on specifying the conditions which an inspector should report as in need of repair when inspecting a home and clarifying the minimum content required of an inspection report. Eliminating reimbursement of the committee's travel would sharply reduce the number of committee meetings and impact progress on the committee's current and ongoing projects.

The rider that was included in TREC's portion of the 2002-2003 General Appropriations Act (page VIII-71) allowing reimbursement of expenses for this committee should be reinstated to ensure that consumers receive accurate and comprehensive inspection reports in connection with real estate transactions. and that the rules of the Commission set appropriate standards for the licensing and regulation of inspectors. The committee structure ensures that extensive experience and considerable expertise are available to the Commission and ensures a continuity of service to the public.

7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
 TIME : 3:13:05PM

Agency code: 329

Agency name: Real Estate Commission

Strategy	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
1-1-1	Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$ 284,936	\$ 209,207	\$ 210,067	\$ 211,657	\$ 211,657
1002 OTHER PERSONNEL COSTS	22,715	12,666	7,127	7,687	8,193
2001 PROFESSIONAL FEES AND SERVICES	11,368	7,914	7,162	7,216	7,216
2003 CONSUMABLE SUPPLIES	9,719	7,562	8,383	8,095	8,095
2004 UTILITIES	6,586	4,777	5,123	5,162	5,162
2005 TRAVEL	7,343	7,844	7,422	6,783	6,783
2006 RENT - BUILDING	52,334	44,826	44,533	44,870	44,870
2007 RENT - MACHINE AND OTHER	2,154	2,120	2,373	2,391	2,391
2009 OTHER OPERATING EXPENSE	33,559	31,335	31,687	28,505	27,999
5000 CAPITAL EXPENDITURES	1,745	0	0	0	0
Total, Objects of Expense	\$ 432,459	\$ 328,251	\$ 323,877	\$ 322,366	\$ 322,366

METHOD OF FINANCING:

1 GENERAL REVENUE FUND	432,459	328,251	323,877	322,366	322,366
Total, Method of Financing	\$ 432,459	\$ 328,251	\$ 323,877	\$ 322,366	\$ 322,366

FULL TIME EQUIVALENT POSITIONS	6.4	4.6	4.8	4.8	4.8
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Method of Allocation

Generally indirect administrative and support costs are allocated proportionally among all strategies on the basis of Full-Time Equivalent Employees (FTEs) for each fiscal year. This method was selected because the Texas Real Estate Commission and the Texas Appraiser Licensing and Certification Board are labor-intensive and the administrative demands are closely related to the number of FTEs.

7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
 TIME : 3:13:05PM

Agency code: 329

Agency name: **Real Estate Commission**

Strategy	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
2-1-1 Investigate Complaints and Resolve Valid Complaint Case					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$ 290,262	\$ 306,758	\$ 307,557	\$ 315,477	\$ 315,477
1002 OTHER PERSONNEL COSTS	23,139	18,573	10,435	11,458	12,212
2001 PROFESSIONAL FEES AND SERVICES	11,581	11,604	10,486	10,756	10,756
2003 CONSUMABLE SUPPLIES	9,901	11,087	12,274	12,066	12,066
2004 UTILITIES	6,709	7,005	7,501	7,694	7,694
2005 TRAVEL	7,481	11,502	10,867	10,111	10,111
2006 RENT - BUILDING	53,313	65,727	65,200	66,879	66,879
2007 RENT - MACHINE AND OTHER	2,195	3,108	3,474	3,564	3,564
2009 OTHER OPERATING EXPENSE	34,186	45,946	46,393	42,487	41,733
5000 CAPITAL EXPENDITURES	1,777	0	0	0	0
Total, Objects of Expense	\$ 440,544	\$ 481,310	\$ 474,187	\$ 480,492	\$ 480,492

METHOD OF FINANCING:

1 GENERAL REVENUE FUND	440,544	481,310	474,187	480,492	480,492
Total, Method of Financing	\$ 440,544	\$ 481,310	\$ 474,187	\$ 480,492	\$ 480,492

FULL TIME EQUIVALENT POSITIONS	6.5	6.7	7.0	7.2	7.2
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Method of Allocation

Generally indirect administrative and support costs are allocated proportionately among all strategies on the basis of Full-Time Equivalent Employees (FTEs) for each fiscal year. This method was selected because the Texas Real Estate Commission and the Texas Appraiser Licensing and Certification Board are labor-intensive and the administrative demands are closely related to the number of FTEs.

7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2004
 TIME : 3:13:05PM

Agency code: 329

Agency name: **Real Estate Commission**

Strategy	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
3-1-1 Prepare and Distribute Information Describing TREC Functions					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$ 207,710	\$ 164,545	\$ 162,483	\$ 147,697	\$ 147,697
1002 OTHER PERSONNEL COSTS	16,559	9,962	5,513	5,364	5,717
2001 PROFESSIONAL FEES AND SERVICES	8,287	6,225	5,540	5,036	5,036
2003 CONSUMABLE SUPPLIES	7,085	5,947	6,484	5,649	5,649
2004 UTILITIES	4,801	3,757	3,963	3,602	3,602
2005 TRAVEL	5,353	6,169	5,741	4,733	4,733
2006 RENT - BUILDING	38,150	35,256	34,445	31,311	31,311
2007 RENT - MACHINE AND OTHER	1,570	1,667	1,835	1,668	1,668
2009 OTHER OPERATING EXPENSE	24,464	24,645	24,510	19,891	19,538
5000 CAPITAL EXPENDITURES	1,272	0	0	0	0
Total, Objects of Expense	\$ 315,251	\$ 258,173	\$ 250,514	\$ 224,951	\$ 224,951

METHOD OF FINANCING:

1 GENERAL REVENUE FUND	315,251	258,173	250,514	224,951	224,951
Total, Method of Financing	\$ 315,251	\$ 258,173	\$ 250,514	\$ 224,951	\$ 224,951

FULL TIME EQUIVALENT POSITIONS	4.7	3.6	3.7	3.4	3.4
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Method of Allocation

Generally indirect administrative and support costs are allocated proportionately among all strategies on the basis of Full-Time Equivalent Employees (FTEs) for each fiscal year. This method was selected because the Texas Real Estate Commission and the Texas Appraiser Licensing and Certification Board are labor-intensive and the administrative demands are closely related to the number of FTEs.

Agency code: 329

Agency name: Real Estate Commission

Strategy	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
4-1-1					

Process Applications; License Applicants

Method of Allocation

Generally indirect administrative and support costs are allocated proportionately among all strategies on the basis of Full-Time Equivalent Employees (FTEs) for each fiscal year. This method was selected because the Texas Real Estate Commission and the Texas Appraiser Licensing and Certification Board are labor-intensive and the administrative demands are closely related to the number of FTEs.

Agency code: 329

Agency name: Real Estate Commission

Exp 2003

Est 2004

Bud 2005

BL 2006

BL 2007

Method of Allocation

Generally indirect administrative and support costs are allocated proportionately among all strategies on the basis of Full-Time Equivalent Employees (FTEs) for each fiscal year. This method was selected because the Texas Real Estate Commission and the Texas Appraiser Licensing and Certification Board are labor-intensive and the administrative demands are closely related to the number of FTEs.

7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS
 79th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2004**
 TIME : **3:13:01PM**

Agency code: **329**

Agency name: **Real Estate Commission**

	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$782,908	\$680,510	\$680,107	\$674,831	\$674,831
1002 OTHER PERSONNEL COSTS	\$62,413	\$41,201	\$23,075	\$24,509	\$26,122
2001 PROFESSIONAL FEES AND SERVICES	\$31,236	\$25,743	\$23,188	\$23,008	\$23,008
2003 CONSUMABLE SUPPLIES	\$26,705	\$24,596	\$27,141	\$25,810	\$25,810
2004 UTILITIES	\$18,096	\$15,539	\$16,587	\$16,458	\$16,458
2005 TRAVEL	\$20,177	\$25,515	\$24,030	\$21,627	\$21,627
2006 RENT - BUILDING	\$143,797	\$145,809	\$144,178	\$143,060	\$143,060
2007 RENT - MACHINE AND OTHER	\$5,919	\$6,895	\$7,682	\$7,623	\$7,623
2009 OTHER OPERATING EXPENSE	\$92,209	\$101,926	\$102,590	\$90,883	\$89,270
5000 CAPITAL EXPENDITURES	\$4,794	\$0	\$0	\$0	\$0
Total, Objects of Expense	\$1,188,254	\$1,067,734	\$1,048,578	\$1,027,809	\$1,027,809
Method of Financing					
1 GENERAL REVENUE FUND	\$1,188,254	\$1,067,734	\$1,048,578	\$1,027,809	\$1,027,809
Total, Method of Financing	\$1,188,254	\$1,067,734	\$1,048,578	\$1,027,809	\$1,027,809
Full-Time-Equivalent Positions (FTE)	17.6	14.9	15.5	15.4	15.4